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Sakharov Criticizes Changes

Asserts Draft Law Gives Gorbachev Too Much Power

By Bill Keller

MOSCOW — Andrei D. Sakharov, reflecting what appears to be the view of many Soviet intellectuals, warned Tuesday that planned changes in the Soviet political system would give Mikhail S. Gorbachev a dangerous monopoly of power.

Mr. Sakharov, the physicist and Nobel Prize-winning human rights advocate, said that while the newly published draft election laws and constitutional amendments had been touted as a move toward greater democracy, they would actually create a national leader "vested with absolute power."

"Today it will be Gorbachev," he said. "Tomorrow it may be somebody else, and there are not guarantees — we must be frank about this — no guarantees."

He said the draft laws, published last week and scheduled for enactment in just four weeks, have also been designed to restrict the role of alternative political forces such as the popular Yemecy recently organized in the Baltic republics. These organizations, he said, are crucial as a check to the Communist Party, the only political party permitted.

Calling the proposed new system "a time bomb," he said: "It's an extremely serious question, on which the fate of this country probably depends."

Mr. Sakharov spoke at a meeting of American specialists in Soviet affairs and leading Soviet supporters of the political and economic restructuring program that Mr. Gorbachev calls perestroika. The discussion was sponsored by the weekly magazine Ogonyok.

For Mr. Sakharov, an enthusiastic supporter of Mr. Gorbachev since the Soviet leader ordered him released from internal exile nearly two years ago, the comments were a striking sign of disenchantment with the course of events.

They also represent a wider sense of unease or even alarm among Soviet intellectuals, who say the newly designed electoral system falls far short of the broadened democracy they were promised.

Several Soviet participants in Tuesday's meeting, including Yuri N. Afanasyev and Leonid M. Babitskiy, both historians, Alexander Gelman, a playwright, and Igor Klyamkin, a sociologist, joined Mr. Sakharov in criticizing the new design for the Soviet government.

Some participants in the meeting said the shortcomings of the proposed restructuring were part of a general conservatism that has taken hold of political life since last spring.

They said another example was the recent set of decrees limiting democracy they were promised.

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An Israeli soldier on guard at a polling place. One woman was seriously injured in a firebomb attack as she was on her way to vote.

Gains for Israel's Right Appear to Give Likud Edge to Form Coalition

Compiled by Our Staff From Dispatches

Jerusalem — The rightist Likud bloc of Yitzhak Shamir is likely to form a narrow coalition government with small religious and rightist parties following Israel's parliamentary elections, television projections indicated Tuesday night.

The projections, which are normally accurate, were based on a survey of voters exiting the polls. The survey said the Likud bloc and Shimon Peres's more moderate Labor Party were deadlocked with 40 seats apiece. But it suggested that overall, including minor-party support, the right would get 62 seats and the left 58.

Early Wednesday, Mr. Shamir, the current prime minister, declared that Likud would be able to form a government.

The first returns differed slightly from the exit poll projection. With 718, or nearly 15 percent, of the 4,800 polling stations reporting, election officials said Labor would get 40 seats and Likud 39, if the trend continued.

Although official results will not be known for a few days, gains by rightist parties gave Likud the best chance of forming a government, analysts said. The detailed negotiations among parties needed to secure a coalition were expected to begin immediately.

A Likud cabinet minister, Yitzhak Mordechai, also quickly claimed that his party could form a 62-seat majority coalition in the 120-seat Knesset, or parliament.

The religious parties, the power brokers in Israeli politics, traditionally support the major party that offers most concessions on public observance of orthodox Jewish observances and the most money for their schools and institutions.

Over the last decade, they have moved increasingly to the right. Rabbi Yitzhak Peretz, leader of the ultra-orthodox Shas Party, which was projected to win five seats, declined to commit his party to the Likud.

"We have no commitment to our voters," he said. "True, our movement naturally belongs to the right-wing bloc, but we will leave all our options open to negotiations."

The television survey suggested the right could get a majority of 62 seats, while the left could muster only 58. The forecast was based on an exit poll of about 20,000 voters at 46 polling stations, or about 1 percent of the total.

An independent pollster, Hanoch Smith, also saw the TV survey as evidence that Mr. Shamir could form the next government. Mr. Smith said, "Shamir is definitely in a better position. The Likud and the parties around it have an edge."

Mr. Peres, the Labor leader and foreign minister, favors an Israeli withdrawal from the Gaza Strip and parts of the West Bank, while Mr. Shamir says Israel's security demands it hold on to the territories.

Binyamin Netanyahu, a former UN ambassador and leading Likud politician, linked what he said was a swing to the right to the Palestinian uprising, which began Dec. 8. The mood at Labor Party headquarters was subdued. But a Peres aide, Avraham Tamir, predicted

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Mr. Bush holds up a collection of his campaign speeches as he attempts to counter criticism about negative campaigning.

'Attack Dog' Label Is Rejected by Bush

By David Hoffman and Ann Devroy

Washington Post Service

ST. LOUIS — Entering the final week of his long quest for the presidency, George Bush said Monday he had no regrets about the tone of the campaign.

Mr. Bush said he had not used "a lot of real flamboyant language."

"I mean, I've not called him pathetic," Mr. Bush said, using the term Mr. Dukakis uses to describe Mr. Bush's anti-drug effort.

Mr. Bush said he rejected the premise that this had been among the most negative presidential contests in the television era.

"Go back to the Goldwater campaign and the mushroom cloud and this kind of thing,"

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Michael Dukakis's campaign trails rolls hopefully down Truman's tracks. Page 3.

he has waged as the Republican nominee and rejected the suggestion that Americans were disgusted by his focus on such themes as prison furloughs and the Pledge of Allegiance to the flag.

"Suddenly, I'm the guy that's the attack dog," Mr. Bush said in an interview. "I mean, I don't accept that at all." He said he

Lawson Sees U.K. Boom Cooling in '89

Compiled by Our Staff From Dispatches

London — The economic boom in Britain is surging forward at an even stronger pace than expected, with economic growth likely to reach 4.5 percent this year, compared with 4.25 percent in 1987, Chancellor of the Exchequer Nigel Lawson told Parliament on Tuesday.

But inflation and the current account deficit are also running at much higher rates than the government originally forecast, Mr. Lawson said, confirming fears among private economists that the economy may be overheating.

Mr. Lawson predicted, however, that the boom would cool next year, with the growth rate dropping to 3 percent. "Growth next year is forecast to return to a sustainable

level, while inflation will resume its downward path," he said in his annual autumn statement on government spending and economic prospects.

The annual inflation rate would rise to more than 6 percent in the fourth quarter of this year, peak at an unspecified level in the middle of 1989 and then fall back to 5 percent by the end of next year, Mr. Lawson predicted.

But the country's current account deficit, which would reach a massive £13 billion (£23 billion) this year, would decline only slightly, to £11 billion, in 1989, Mr. Lawson said.

In March, Mr. Lawson forecast economic growth of 3 percent, an inflation rate of 4 percent and a

current account deficit of £4 billion this year.

Since then, the rapid pace of expansion and mounting inflation have prompted the Conservative government to push up Britain's benchmark interest rate, the commercial banks' base lending rate, to its current 12 percent level from 7.5 percent in June.

"Investment is particularly strong," Mr. Lawson said, "growing twice as fast as consumption, with manufacturing investment expected to show the biggest rise of all, at 18 percent."

Unemployment, now at 8 percent, had been falling rapidly and was expected to fall further.

Manufactured exports had risen by 7.5 percent over the past year, but with investment booming and

consumer spending rising fast, imports had grown even faster, rising by 13 percent in the year to the third quarter.

Part of the rise in inflation reflected the impact on mortgage payments of the higher interest rates needed to tighten monetary policy, Mr. Lawson said. Excluding mortgage interest payments, retail price inflation in the fourth quarter would be around 5 percent.

The stronger than expected economic growth meant that total tax revenues this year would be £2.5 billion more than forecast in the March budget, Mr. Lawson said.

The fiscal budget surplus, or public-sector debt repayment, was now likely to reach £10 billion for

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Gdansk Unites Against Shipyard Closing

By Jackson Diehl

Washington Post Service

GDANSK, Poland — The government's sudden announcement of the closing of the historic Lenin shipyard here appeared Tuesday to have united people both in and outside of the banned Solidarity trade union against a move that they consider unwarranted and unjust.

As an icy drizzle darkened the

All Saints' Day celebrations, hundreds of people trooped around lines of police to light candles and sing anthems at the Solidarity monument outside the main gate of the shipyard, headquarters of the union.

Late Tuesday, members of Solidarity's organizing committee at the shipyard, which was formed during occupation strikes in April and August, gathered in a nearby church and agreed to fight what their priest, the Reverend Henryk

Jankowski, called "the latest dirty trick of the Communist leadership."

The Solidarity leaders said they would not immediately organize a strike in the shipyard because they believed such an action would play into the hands of Prime Minister Mieczyslaw Rakowicki, who announced Monday that the shipyard would be closed.

Instead, they said they hoped to join with Communist-run official

unions, the shipyard's workers' council and the enterprise's management in an effort to stop the planned closing on Dec. 1.

"The easiest thing for me to do would be to organize a strike tomorrow," said Alojz Szablewski, chairman of the Solidarity committee at the shipyard. "The whole crew would stop work."

"But I don't want to do that. I want to see the shipyard closed."

See POLAND, Page 2

Kiosk

Pretoria Bans A Newspaper

JOHANNESBURG (WP) — The government on Tuesday closed the Weekly Mail, South Africa's foremost anti-apartheid newspaper, saying threatened public safety.

The move appeared to be a reaction to the white backlash that led to major electoral gains by the white supremacist Conservative Party in nationwide municipal elections last week.

The government banned publication of the newspaper for an initial four-week period, after which its future is to be reviewed.

General News

The French controversy over a new abortion pill has set off a church-state feud. Page 6.

A study by experts from East and West predicted major changes in farming due to a global warming trend. Page 6.

Business/Finance

Saudi Arabia lifted its oil output to 7 million barrels a day in a move to force an OPEC accord. Page 11.

The U.S. said its main forecasting gauge of future economic activity edged down 0.1 percent in September. Page 11.

Special Report

As 1992 approaches, a consensus is developing between political parties in the Netherlands. Page 7.

U.S. Says Kabul Missiles Pose Threat to Pakistan

The Associated Press

WASHINGTON — The United States on Tuesday accused the Soviet Union of posing a threat to Pakistan by sending SS-1 Scud missiles to Afghanistan.

The accusation was coupled with a veiled warning that the United States was determined to protect Pakistan.

"The Soviet Union knows the government of Pakistan enjoys our support," said the State Department spokesman, Charles E. Redman.

The missiles were displayed in Kabul after Undersecretary of State Michael H. Armacost complained on Monday to the Soviet ambassador, Yuri V. Dubinin, about other arms shipments to the Afghan government, Mr. Redman said.

He said Pakistan was within range of the missiles. But he gave no figure on the number of Scuds now in the possession of the pro-Moscow government, Mr. Redman

said the Soviet ambassador had promised to inform Moscow about U.S. concerns.

The United States has reserved the right to provide equal firepower to guerrillas fighting the Afghan government, Mr. Redman declined to say whether that step would be taken.

He again registered "grave concern" over Soviet arms shipments that he said were designed to bolster Afghan forces against a rebel offensive in the Kandahar region in the southeast.

On Monday, Mr. Redman said the Soviet Union had used newly introduced MIG-27 ground-attack planes against advancing resistance fighters, violating a commitment to use its weapons only to defend Soviet troops.

He said the United States viewed "this augmentation of Soviet firepower in Afghanistan with grave concern."

"Such actions are inconsistent. See AFGHAN, Page 2



A ROYAL GRIMACE — Queen Beatrix of the Netherlands watching the Melbourne Cup horse race on Tuesday. At left is the governor-general of Australia, Sir Ninian Stephen. The queen and her husband, Prince Claus, are on a 12-day visit to Australia.

In Libyan Invasion of Tunisia, Shopkeepers Are the Victors

By Edward Cody

Washington Post Service

TUNIS — There are two kinds of locusts these days, Tunisians joke: insects, which eat up everything in their path, and Libyan consumers, who buy up everything in their path.

The first variety has done a lot of damage to farmlands in southern Tunisia recently.

But the second variety, crossing the border by hundreds of thousands since Tunisian-Libyan relations were restored, has proved a lifesaver for the ailing Tunisian economy.

Nearly 1 million Libyans — a quarter

of Libya's population — have traveled to neighboring Tunisia since Colonel Muammar Gadhafi bulldozed a border checkpoint in April and proclaimed that his countrymen could leave without an exit visa.

Libyans, with plenty of hard currency but little to buy at home, view Tunisia as the high-class department store of North Africa. All-night change booths have sprung up at the border. In Sfax, a southern city, a new market has opened to handle their business.

U.S. exhibitors at a Sfax trade fair in June were told that doing business with America would be fine, but just now Tunisians were too busy cleaning up with

Libyan customers to pay much attention.

Hundreds of taxis, Libyan and Tunisian, have started regular runs between Sfax and Tunis and the Libyan cities of Tripoli and Benghazi. Thousands more private cars have carried families on shopping sprees or men traveling alone in search of drink and female companionship unavailable under Colonel Gadhafi's spartan rule.

The Libyan vehicles have become known in Tunisia for their green license plates — and their rooftops piled high on the return trip with fresh vegetables, furniture, kitchen pans, diabetes and car parts.

"They've bought everything that isn't nailed down," commented a specialist

who investigated the Libyan consumers' effect on the Tunisian economy.

Some Tunisians have begun to complain that Libyan buyers are pushing up prices. Experts have warned that inflationary pressure indeed is beginning. Fairly or not, the visitors also were blamed recently for a shortage of tomatoes in the Tunisian markets, where tomatoes are usually abundant.

Between April and July, the specialist said, the visiting Libyans spent a quarter of a billion dollars. Tunisian officials estimated the figure could be double that by now.

This influx of hard cash, coming during a good tourist year in which about 3

million people have visited Tunisia, has been a particularly important windfall. Prolonged drought has severely damaged the country's agriculture, reducing this year's crop to virtually nothing.

The Libyans enter Tunisia with the maximum allowable amount of dollars or their own hard currency pegged at an artificially high official rate, which they change into Tunisian dinars at the official rate.

As they leave, they change the Tunisian money back into Libyan dinars on the black market, fetching much more than they would at the official rate. This

See TUNIS, Page 2

Cambodia: Hopes Dim For Talks

By Michael Richardson

International Herald Tribune

BANGKOK — Leading participants in Cambodian peace talks due to resume Saturday in Paris are pessimistic about an early settlement because deep divisions remain over how to prevent the Khmer Rouge from reasserting control in Cambodia.

Parties to the Cambodian conflict, now in its 10th year, are unable to agree which Khmer Rouge leaders should be excluded from a proposed government of national reconciliation that would take over as Vietnamese troops leave.

Nor do they agree on how power should be shared between rival Cambodian factions, whether the 40,000-strong Khmer Rouge army should be disbanded or whether there should be an international peacekeeping force.

Western diplomats and Thai officials said that if that goal is not bridged, they believe that Vietnam might use it as a pretext to delay its troop withdrawal.

Hanoi was already taking other, less obvious, steps to ensure that the Vietnam-supported government forces in Cambodia were not overrun, the sources said.

These preparations include the return to Cambodia of at least 300,000 Vietnamese civilians who were living in Cambodia before 1979 but were driven out, reinforcement of the Phnom Penh army by thousands of Vietnamese officers and soldiers, many of whom can speak Cambodian or are of Cambodian descent, and maintenance of Vietnamese advisers in key positions in Cambodia.

Prince Norodom Sihanouk told supporters in New York last month that Vietnam and its allies refused to sanction an international peace-

See TALKS, Page 2

Handwritten text in Arabic script: "مكتبة الامم المتحدة"

هكذا من النجول

Dukakis's Uphill Train: Riding Truman's Tracks

By Lois Romano

WASHINGTON Post Service
BAKERSFIELD, California — Forget a Massachusetts Miracle. Think Truman Turnaround, says the underdog.

As the Dukakis campaign ricochets around the country during these final, marathon days, from 6 A.M. baggage calls in Kansas City, Missouri, to a giant farm rally in Sioux City, Iowa, a new candidate has come out slugging, reaching for the traditional Democratic base and going after Vice President George Bush with renewed vigor.

Over and over, Governor Michael S. Dukakis of Massachusetts invokes Harry S. Truman and his upset victory in 1948. And he has even rediscussed that old staple: the self-deprecating one-liner, poking fun at everything from his pronounced nose to his unpronounced height.

"See, I told you short guys are coming on strong this year," Mr. Dukakis said to reporters in Fresno, California, when told that Doug Flutie of the New England Patriots football team threw four touchdown passes on Sunday.

Even the reporters who have been with him for 18 months were shaking their heads over his new punch and the seeming appeal of his sharpened populist message: "I'm on your side."

"My friends, this train is ticketed all the way to the Oval Office!" he shouted in a cheering, flag-waving crowd in Bakersfield on Sunday, minutes before reliving Truman's whistle-stop ride through the San Joaquin Valley. And he even said for the first time in this campaign that he was, indeed, a liberal, in the tradition of Truman, Franklin D. Roosevelt and John F. Kennedy.

He waved from the caboose against a backdrop of a California sun and 1,000 red, white and blue balloons, as Neil Diamond's blaring song "America" competed with a chant of "We want Mike!"

Dukakis's Wife Is Hospitalized

MINNEAPOLIS — Kitty Dukakis, the wife of the Democratic presidential candidate, was feeling better Tuesday after being hospitalized for treatment of a viral infection, a spokesman said.

Mrs. Dukakis had a fever and complained of chills when she was admitted Monday night to the University of Minnesota Hospital. Her press secretary, Paul Costello, said her temperature was nearly normal Tuesday.

Mrs. Dukakis, 51, hoped to join her husband in Waterbury, Connecticut, for a joint appearance Thursday marking his 55th birthday, the aide said.

"I don't know where he's been," said a campaign aide after a string of rousing appearances by Mr. Dukakis, "but we're sure happy to have him back."

At every stop, Mr. Dukakis's phalanx of "spin" staffers has taken to using such words as "turnaround," "closing in," "real movement," "hoping to drive home the point that maybe something is truly happening here."

And indeed, several statewide polls, as well as the campaign's internal surveys, indicate that there is some movement toward the man who recently appeared to be headed for a landslide defeat.

Still, members of his own party say that this new rhetoric and more focused message were too long in coming. And even if some polls show Mr. Dukakis closing the gap in such battleground states as Texas, Ohio and California, Mr. Bush is thought to enjoy a wide lead in electoral votes.

More relevant, counters Mr. Dukakis, is that maybe the Democrat will be "the one to peak on November 8," adding, "We're pushing."

(Campaigning Tuesday in Youngstown, Ohio, Mr. Dukakis called Mr. Bush the candidate of privilege, worked himself as the candidate of working people and told the union audience that the only label

he likes is "Made in America." The Associated Press reported.

[Mr. Dukakis sounded populist themes at a town meeting in a former steelworkers' union hall decorated with signs reading, "Ohio Unions Vote Dukakis," as he toured major industrial states.]

At every turn, he slams Mr. Bush, attacking him for such issues as his proposal for a capital gains tax cut.

"He said it's a job program," Mr. Dukakis said in Illinois, Missouri and South Dakota. "Who's he kidding? Is it for a job for second butler?"

"You know the saying 'the rich get richer?' he asked. "Well, Mr. Bush wants to make it a law."

When he brought his campaign to Truman's hometown, Independence, Missouri, he pounded in the lesson of the 1948 race, saying: "I mean, he was supposed to lose decisively."

And like many a Democratic candidate before him, he compared himself to Give 'em Hell Harry: "We're two people who came up through the ranks without pretension."

At the event, Truman's great-nephew, John Truman, 15, asked, "What I'd like to know is what your campaign has in common with the campaign of my great-uncle."

"We're a little behind," Mr. Dukakis said. "But we're going to win!"

And, in a dusty Sioux City rodeo barn, with 10,000 flag-waving supporters, he yelled: "Two days ago George Bush said he would run a kinder, gentler campaign."

"Twelve hours later he was attacking me again," he said, adding, "I wish his handlers would make up his mind."

But campaign veterans of both parties ask: Is all this too little too late?

"It's a question of fire in the belly," said a Democratic consultant who does not work for the campaign. "Why does he have it all of a sudden?"

The Bush campaign believes Mr. Dukakis's sudden affinity for liberalism will only hurt him.

"He's spent months denying it," said Lee Atwater, Mr. Bush's campaign manager. "Now, all of a sudden, seven days before the election, he starts bragging about it. It's just what the political doctor ordered for us."



HORSEY BLUES — A mounted police officer in Boston, Frank Pomodoro, consoling his horse, Fritz, after the horse stepped onto a broken grate and slipped into a hole in the city's South End. Police officers and fire fighters had to use a large crane to hoist the horse from the hole.

AMERICAN TOPICS

Clearing the Decks For President-Elect

The Commerce Department is vacating four floors of a Washington office building in make room for the transition team of the president-elect, he George Bush or Michael S. Dukakis, the Washington Post reports. Between Election Day, Nov. 8, and Inauguration Day, Jan. 20, the team will set up a new administration.

Representatives of both candidates got together recently with Raymond A. Fontaine, comptroller of the General Services Administration, which manages federal buildings and services. The agency also decides what transition expenses will be financed by the taxpayers. The limit is \$3.5 million. Stretch limousines and first-class air fares are barred.

Mr. Fontaine said he pressed both parties to agree on a telephone company so the president-elect could use the phones connected to the White House. He recommended they keep the Commerce Department's furniture: "If they want new furniture they have to go through the procurement process and they'll be long in the White House before it arrives." He also asked them to agree on stationery saying "Office of the President-Elect," with

no name mentioned. Otherwise half of it would have to be thrown away.

Neither party wanted all four floors but Mr. Fontaine said the space would be needed. "They'll be swamped with volunteers," he said. "There were 1,500 people on Reagan's rolls. A lot of them were on \$1 a year. I know, I paid the \$1."

Short Takes

Washington's most visible homeless person probably is Stacy Abney, 77. The New York Times reports. He has been living under the steps on the east front of the Capitol for the past 13 years. The steps of the building provide shelter from wind and rain but not from the cold, so the police are continually inquiring about Mr. Abney's well-being. On the coldest days, they often arrest him for his own good. The usual charge is unlawful entry. When Mr. Abney is released, he heads back to the Capitol.

Vietnam, a quarterly magazine providing low-key retrospective articles about the American military in the Vietnam War, has nearly doubled its initial circulation of 125,000 to more than 225,000 in just nine months and three issues, at \$2.95 each. The publisher, Empire Press of Leesburg, Virginia, now plans to bring it out every two months. The editor is a retired army colonel, Harry G. Summers Jr., who was twice wounded in Vietnam. Roy Bailey, a Vietnam veteran

who heads New York state branches of both the American Legion and the Vietnam Veterans of America, is an enthusiastic reader. "We've had enough of that Rambo nonsense," he said. "This is not fantasy, this is fact, this is reality."

The United States keeps inching toward adoption of the metric system. A clause in a new trade law says centimeters and kilograms, rather than inches and pounds, will be "preferred" for trade and commerce. Federal agencies are to use the metric system in advertising for bids. The law does not require companies to switch, but many have long since done so.

Shorter Takes: The 1982 film "E.T., the Extra-Terrestrial" has arrived in U.S. video stores at \$24.95. With advance sales of more than 11 million, it already has topped the previous cassette sales champion, Disney's "Cinderella," at 5.3 million sold. • Leon Spinks, world heavyweight titleholder for seven months in 1978, is a novice bartender in Detroit. "Someday," he said, "I may open my own place." • A quarter-century after her death, Marilyn Monroe has frequently been proposed for a commemorative U.S. postage stamp. Richard S. Rosenthal, in a letter to The New York Times, says the actress already has been featured on stamps issued by two African countries, Mali and Congo.

Arthur Higbee

THE HUSTINGS

Long Shot Looking Better in Nevada

LAS VEGAS, Nevada (NYT) — Bettors in this gambling capital might have thought they had a sure thing wagering that the popular Democratic governor, Richard H. Bryan, would push the state's Republican senator, Chic Hecht, out of office.

The polished governor once led the obscure senator, who was often derided in Washington by congressional staff members, by as much as 31 points in polls. As recently as last month the senator's own polls showed him trailing by 18 points.

But now, both sides agree, Mr. Hecht has made it a horse race, thanks to the faltering presidential campaign of Michael S. Dukakis. Seizing the chance to save a seemingly lost seat in the Senate, the Republican national apparatus is pulling out all stops for Mr. Hecht, a staunch conservative who almost invariably backs President Reagan.

Mr. Reagan campaigned for Mr. Hecht in Reno on Tuesday, and six Republican senators from the West have campaigned here for him or plan to. Last week, concealing the deeply conservative state and its four electoral votes to Vice President George Bush, the Democratic presidential forces folded their tents here.

Bush Campaign Aide Sees Crimson

NEW HAVEN, Connecticut (NYT) — The Bush campaign expressed shock. Accusations by Michael S. Dukakis are expected. He's a Harvard

Vice President George Bush, Yale Class of '48, was unavailable for comment after an anti-Bush rally Monday at Yale University attended by about 200 persons. But his spokesman, Mark Goodin, was suitably shaken by the event and said it sounded like a "Harvard man's dirty trick." The Democratic presidential candidate actually went to Swarthmore College and then to Harvard Law School.

"It shocks me that they would go to these extremes," said Mr. Goodin.

BUSH: Candidate Says He Has No Regrets About Tone of His Campaign

(Continued from page 1)

he said, referring to a political ad used in 1964 by President Lyndon B. Johnson against Senator Barry Goldwater that depicted an atomic blast going off after showing a little girl picking daisies.

"My view is if I win and there's any healing to be done, listen, I'd be happy to undertake that," Mr. Bush said. But after the election, he added, "I think the American people shift over to the problems.

They've been through a lot of campaigns."

Mr. Bush insisted he had not been more negative than the Democrats. He said he had no regrets about the commercial he used showing prisoners going through a revolving door and criticizing Mr. Dukakis for the Massachusetts prison furlough program, which in fact was established by a Republican predecessor.

The vice president said he did not have to be persuaded to use that and other issues against Mr. Dukakis. He said he personally decided not to open fire on the Democrats until after their primary season was over. "As soon as that was over, I figured well, we have to define the differences, it is not being done."

"When he said at his convention that ideology doesn't matter, just competence, that was a statement that they were trying to pre-empt

tongue-in-cheek. "This to me is nothing more than a thinly disguised attempt to turn this campaign into a Yale-Harvard rivalry," he said.

Heavy Ammo From a Pro-Gun Lobby

WASHINGTON (VPI) — Gun control opponents seeking in overturn Maryland's new handgun law have disclosed that they have raised more than \$4 million, making their campaign the most expensive ever waged in that state.

All but \$64,000 came from the National Rifle Association, according to figures provided by the Maryland Committee Against the Gun Ban.

Campaign officials said they also plan to raise an additional \$1 million to defeat the law in a referendum next Tuesday, and identified the association as the "likeliest source" of new funds.

The law would create a nine-member board that would decide what handguns were legitimate for sporting purposes and self-defense. The law's proponents assert that its only purpose is the elimination of cheap, easily concealable weapons known as "Saturday night specials."

AIDS Expert Protests Ballot Measure

LOS ANGELES (AP) — A medical pioneer in the fight against AIDS has quit the AIDS Advisory Committee in California to protest Governor George Deukmejian's endorsement of an initiative on the state ballot that would require reporting the names of those who have the virus.

Dr. Michael S. Gottlieb, who in 1981 first reported cases of what is now known as acquired immune deficiency syndrome, announced his resignation from the state panel Monday, saying the governor does not understand the AIDS crisis.

Proposition 102, on the ballot Tuesday, would require reporting to state health officials of positive test results for those infected with the AIDS virus. Officials would also be required to track down an infected person's sexual partners for the past decade and inform them they may be at risk.

Tibet Monks Tortured, Report Says

BEIJING — Monks and nuns arrested after anti-Chinese demonstrations in Tibet have been stripped, beaten and tortured with electric prods in prison, according to a report received Tuesday from Western human rights advocates in Lhasa.

The rights advocates said in the report that prison officials routinely beat and tortured inmates during interrogation.

"It is common for the prisoner to be stripped naked and to be sitting on the floor during these questioning and beating sessions," the report said.

The report, based on interviews with about 30 freed prisoners, was drawn up by Westerners who speak Tibetan and frequently visit the area. They declined to be identified.

Asked to comment on the allegations of torture, a spokesman for the State Nationalities Affairs Commission, Zhang Xuejin, said: "I know nothing about this."

Chinese officials have previously denied reports of torture in Tibetan prisons.

In the latest account of separatist disturbances in Tibet, the rights advocates also said that monks of the Rato monastery near Lhasa, the Tibetan capital, clashed with three squads of riot police on Oct. 3.

Mr. Zhang said he had no information on the incident.

The trouble began on Sept. 30, the Westerners said, when the monks threw stones at two cars belonging to officials who had come to their monastery to question them about rumors of a planned demonstration.

Under armed escort, they said, the officials returned and arrested one of the monks. Fighting broke out and the police fired several shots. No one was killed.

Later, villagers attacked the police who had surrounded the monastery, the rights advocates said, and 4 more monks and more than 10 villagers were arrested.

At least 42 Buddhist monks and 3 nuns are among about 100 Tibetans still in prison, according to the report. But it said that hundreds of others have been released from four prisons near Lhasa.

Arrests began in September of last year when Tibetan monks and lay people staged demonstrations against Chinese rule over Tibet, which it annexed in 1951.

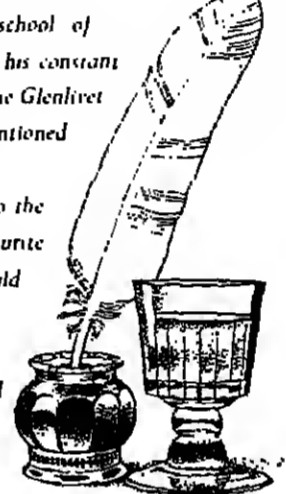
What put the Sir in Sir Walter Scott?

It has been commonly assumed that Sir Walter Scott was given his knighthood for services to literature.

However, there is a school of thought which is puzzled by his constant pubhunting and praising of The Glenlivet single malt whisky. It is mentioned frequently in his writings.

The Glenlivet was also the Monarch of that time's favourite whisky. It was said "he would drink nothing else".

Is there a connection between these two facts and his knighthood? I believe we should be told.



The Glenlivet
 12 years old single malt whisky.

STAYING AT THE MARRIOTT ISN'T BENDING CORPORATE RULES, IT'S USING CORPORATE RATES, I EXPLAINED."

"It's actually on an island," I said, describing the Cairo Marriott. "It's a former palace of Ismail Pasha. I always stay there when I'm in Cairo."

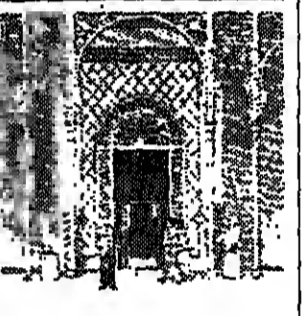
Herbie looked at me as if it was out of the question for him. It was odd because the Herbie I know has never been one to compromise. Maybe it was because he was still treading carefully at his new company.

Anyway I got my secretary to ring up for the Marriott's new corporate rate.

*\$115 U.S. dollars' came the answer.

"There you go Herb, we'll meet as planned."

*Rate is for single room and is subject to local tax and hotel. Applies until 31st September 1989.



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Herald INTERNATIONAL Tribune

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INTERNATIONAL
Herald Tribune

Helping the Reformers

Trading with the Soviets always involves a lot more than commerce. When Helmut Kohl, West Germany's chancellor, went to Moscow last week, he was accompanied by an entourage of some 50 bankers and businessmen who, before they left, had ceremoniously signed 30 contracts worth more than \$1.5 billion. But there was much more to the visit than trade. Mr. Kohl reports that the Soviets offered to release political prisoners as a concession to better relations. President Mikhail Gorbachev called on Mr. Kohl to resist the modernization of non-NATO nuclear weapons in Germany, and Mr. Kohl similarly urged the Soviets to eliminate some of their own short-range nuclear weapons. Both sides are treating trade as part of a far broader political exchange.

What U.S. Aid Isn't For

It is not a shopping spree that has brought the former Philippine first lady, Imelda Marcos, to New York City this week. It is a federal indictment. The Justice Department alleges that she, her husband, Ferdinand, and eight others diverted more than \$100 million of Philippine government funds and \$165 million in fraudulent U.S. bank loans to assemble a New York real estate empire. She has until Thursday to raise \$5 million in bail. For health reasons, Mr. Marcos has been permitted to remain at home in Hawaii. Prosecution of foreign leaders is always controversial, even when they are out of power and the court's jurisdiction is clear. Yet Washington is correct to let this case proceed. It serves both justice and foreign policy.

The Embassy Scandal

Tear down the Moscow embassy and build a new one right, says President Reagan. It is a more radical solution than what has been recommended by some of those who have pondered the profligate bugging that plagued the new U.S. Embassy building from being occupied. But as costly as it may be (\$300 million) to replace this \$190 million structure, and as long as it may take (another five years), this may be the only way.

Other Comment

There Will Be Budget Options of the American voter and rallies the nation to do the things it must to overcome the overindulgence of the Reagan era. The IRA Is Going Strong The IRA's campaign has not really changed course since they shot their first British soldier in North Belfast in February 1974. There have only been changes in emphasis. The latest trend has involved the IRA increasing its attacks on regular British troops. It has reactivated its operatives in Britain and the Benelux countries and it is engaged in bombing commercial and politically sensitive targets in Belfast.

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OPINION



Bush: Competence Plus Disturbing Signals

By David S. Broder

WASHINGTON — The most reassuring thing Americans have learned about George Bush in the 1988 campaign is that he is not the man millions mistakenly thought he was. He is not the "wimp" of the Doonesbury cartoons. Senator Bob Dole, one of many in both parties who underestimated Mr. Bush's tenacity, called him a "tough, aggressive" candidate last weekend. Since most Americans would rather have a strong president than a weak one, this display of backbone and muscle by Mr. Bush comes under the heading of good news.

John Tower, former White House and Treasury official Richard Darman, Mr. Bush's chief of staff, Craig Fuller, and half a dozen able domestic policy and national security staffers from his vice presidential office and campaign. Many of the remaining signals from the campaign are not nearly so reassuring — and some are downright disturbing.

to the contrary suggests either that he lacks the courage of his own convictions or, more ominously, that he believes that resumption of such aid can be better engineered through stealth than argued and justified in public debate. For the most part, Mr. Bush has dealt responsibly with foreign policy and national security issues. Unlike Mr. Dukakis, he has said nothing which could inhibit his effectiveness as president in dealing with other nations. But the same cannot be said of domestic policy.

Enough Military Restraint to Warrant a Response

By William M. Arkin

WASHINGTON — What is the Soviet Union doing? Through a series of proposals and initiatives, INF and START negotiations, Moscow has precipitated a major re-evaluation of Soviet society, but in the military sphere, too, he has advanced a new doctrine. It proposes "military equality, or equal security for all," on the premise that not every military advance by the West needs to be matched, so long as "reasonable sufficiency" in military forces is maintained.

adjustment in stated philosophy in order to permit time for economic wounds to be patched up." Frank Caracci, the U.S. defense secretary, said on a visit to the Soviet Union last summer, "We see very little change in your production rates of ships and aircraft and other armaments." Yet there have been significant production changes.

have speculated that the shift in Yankee operations was related to reorganizing by Soviet nuclear forces after the INF treaty. But the U.S. Navy stated in June that the reduction could be attributed primarily to "deployment patterns as units of that class, and their older missile systems, reach the end of their active operational lives."

New Caledonia: A Test for the French

By Helen Fraser

CANBERRA, Australia — The Socialist government of Prime Minister Michael Rocard is asking French voters in France and its overseas territories to turn out in force Sunday to endorse, by way of a referendum, a peace accord that will have a critical bearing on the future of New Caledonia. The accord, reached in August after New Caledonia had been hit by its worst political violence in years, is to give the South Pacific island chain nine years of limited self-government after 12 months of direct rule from Paris ends in July.

to remain part of France. The Rocard government hoped for a consensus among all major French political parties. But the extreme right National Front, both in France and in New Caledonia, has been waging a "no" campaign. In the territory itself, one party in the FLNKS coalition has been advocating a "no" vote.

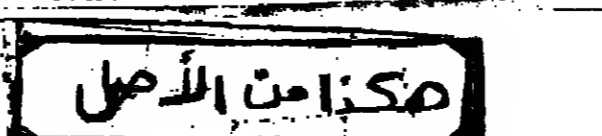
Last Chance For a Run By Dukakis

By Tom Wicker

LOS ANGELES — With less than a week to go before the U.S. election, Michael Dukakis has a last chance to make it close. He needs to give Americans — particularly Democrats — who still do not want George Bush as president a good reason to vote Democratic after all. Mr. Dukakis whittled support Sunday through California's San Joaquin Valley, trying to do just that. "Yes, I'm a liberal," he proclaimed at last, "in the tradition of Franklin Roosevelt, Harry Truman and Jack Kennedy."

100, 75 AND 50 YEARS AGO

1888: Zola Responds PARIS — In view of the recent fire imposed upon the London publishers of "La Terre," a Herald correspondent called yesterday (Nov. 1) upon M. Emile Zola. This king of realistic writers lives in a handsome apartment near the Place Clichy. "About the judgment of the English Court against 'La Terre' Je m'en fiche complètement et radicalement. These austere Englishmen turn up their eyes in holy horror when any mention is made of what they are fond of calling 'French vices.' If Whitechapel flows with the blood of society's outcasts, it is, foremost, because M. Emile Zola has perverted the innocent minds of the British youth. Bah, such Pharisaical prudery is sickening!"
1913: Blanquet Says No NEW YORK — With two words General Blanquet, who on the face of the election returns is elected Vice-President of Mexico, has upset all cal-



OPINION

Keep in Mind: It Appears The President Was Killed

By A. M. Rosenthal

NEW YORK — The president of a delicately balanced country critical to the United States is killed. His top military officers die with him; so do the ambassador and the military attaché of the United States.

There is at the very least the strong suspicion that they were murdered, and political logic indicates that the murder

ON MY MIND

was committed by the same foreigners who had been threatening the president for years. This month there will be an election to replace him. Whatever happens in the country will affect the peace of a continent and the conflicting security interests of the United States and the Soviet Union. Altogether it is one of the most dramatic and important episodes taking place in the world.

The American public pays no attention. Journalistically, the death of President Mohammed Zia ul-Haq of Pakistan and the 29 others who were aboard his plane when it crashed in Pakistani territory on Aug. 27 — and its consequences — would have disappeared except for the persistence of a few reporters like Elaine Sciolino of The New York Times and Lily Weymouth of The Washington Post.

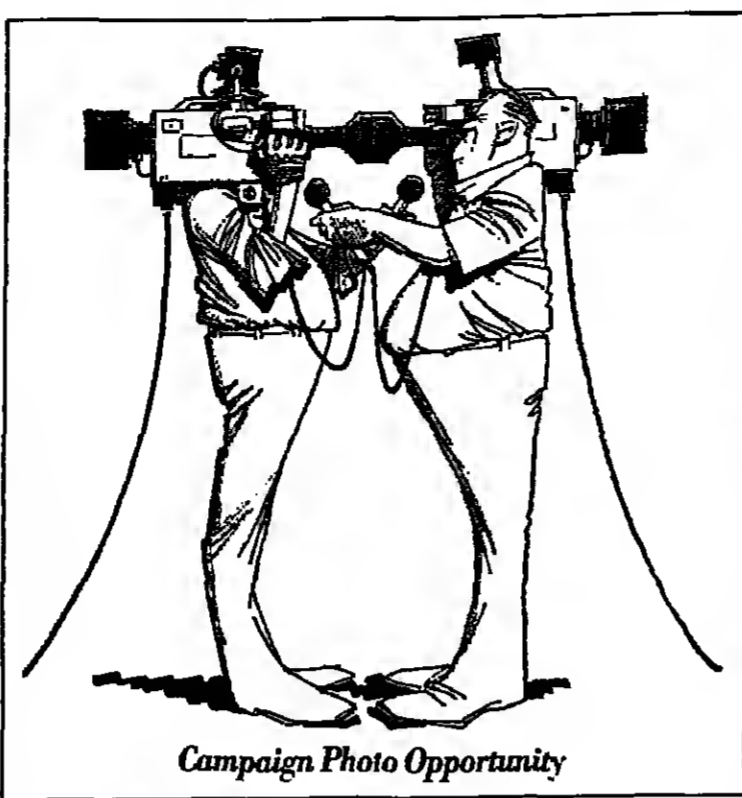
Yes, of course, Americans are wrapped up in their elections. But that is not the whole truth. If the president of a country or Middle Eastern country or his chief advisers had been killed in what so many diplomats and intelligence specialists believe was an assassination, there would have been unending uproar. The Zia case is simply one more sign that even after fighting three wars there, Americans still have a strangely and unpleasantly lackadaisical attitude toward Asia and its people.

When the news came, the government of the United States fumbled. The FBI was prevented from carrying out

India Could Help

RESPECT for human rights and abhorrence for nuclear weapons are the two weapons of the West for the American security and economic assistance to Pakistan. The time has come to make Pakistan honor them. Pakistan's foe, India, can also create conditions for a peaceful democratic evolution of its neighbor. Even small measures like renunciation of the use of force and limited military disengagement on both sides would deprive the Pakistani military regime of a part of its raison d'être. India can help Pakistan move toward democracy by becoming a generous and peaceful neighbor. But New Delhi under the two Nehrus, Indira Gandhi and Rajiv Gandhi, has found Pak-bashing and America-baiting domestically useful.

Rhona Warjanalla, writing from New Delhi in the Los Angeles Times.



Campaign Photo Opportunity

Not Much of a Show, but It's Drawn a Big Audience

By Jim Hoagland

PARIS — Think you Washington folks have had a tough campaign, scraping all those Lee Arwater mudballs off your sleeves and having to get to know Michael Dukakis? (The Democrats are losing because they violated Hoagland's Rule No. 1: Never hire, marry or nominate for president anyone you're not absolutely sure you'll want to have lunch with in five years. But that's another column.)

Before the Purple Hearts (or Campaign Watching) are passed out, consider the plight of Americans living or traveling overseas during this bout of electioneering. The campaign takes on a disembodied, blurry quality as it is filtered through different time zones, foreign media outlets and contrasting cultures. That would surely be an improvement, I hear someone in the back of the room muttering. My friends, think again.

It is not that Americans abroad today suffer from a paucity of news or images of the U.S. campaign. We do not. If you stay in certain upscale hotels, or have your own satellite dish at home, you can tune in Cable News Network and catch prime-time news in Europe's pre-dawn hours. Here in Paris, one station broadcasts a taped version of the "CBS Evening News" the following day at breakfast time.

There's part of the rub. Imagine coping with Dukakis/Bentsen vs. Bush/Quayle, say nothing of Dan Rather, before you sit down to your Malted Shreddies and espresso. With subtitles! Or listening at 2 A.M. to Dan Quayle explain what he would do first as president if a furloughed convict raped and murdered George Bush. Or was that Michael Dukakis? The time zones played havoc with my debate comprehension. What's that, my friends? You felt the same way and you were in the same time zone as the candidates?

Little matter. As the campaign press corps has said and written in self-fulfilling prophecy since the snows of New Hampshire and the cotton mills of South Carolina pointed the way for the Bushkiss tandem, this is a campaign about form, not substance; a victory of media, not message.

This in fact seems to understate the case, if you get your video impressions at these odd hours, often as the brain is chicking on instead of winding down for the night, and solely from the news programs.

The Conspiracy Theories Come — and Go

By Pierre Salinger

LONDON — As Nov. 22 nears, it is not surprising that press and television commentators should be looking back at the presidency of John Kennedy 25 years after his death.

Nor is it unusual that his assassination should still be the subject of investigation. From the start, many Europeans believed that a conspiracy lay behind the president's death. In the United States, most Americans at first believed the Warren commission's finding that President Kennedy had been killed by a madman, Lee Harvey Oswald, working alone. But over the years, and with the political mentality that grew out of the Watergate affair and the congressional investigations of the CIA in the 1970s, some Americans moved to the European view — yes, there was a conspiracy.

This view has been fanned by scores of books and television shows purporting to prove that Mr. Kennedy was killed by the Mafia, by the CIA, by rich Texas businessmen, by the Soviets, by the Cubans or by some other group. Some of these inquiries have been conducted conscientiously by journalists or others seeking a definitive explanation of the circumstances of the killing. Others have been motivated by the desire to exploit a sensational case for personal gain. And many amateurish investigations have been built on largely unsubstantiated information.

The two-hour documentary shown Oct. 25 on British television falls into the latter category. The program first attempted to debunk the Warren report's findings and

MEANWHILE

to prove that powerful (but never identified) people in the United States orchestrated an immense cover-up of the facts. No one can argue that the Warren report left many questions unanswered. But the British documentary went further, saying that Lee Harvey Oswald had nothing to do with the Kennedy assassination, though the young man's role was reconfirmed by the findings of an in-depth congressional investigation in the 1970s. A central piece of "evidence" present-

ed on the program was a black-and-white Polaroid picture on which, according to the producers, the outlines of the killers were visible. Lines were drawn over this fuzzy photo to help viewers see the men's positions, and color was added to make it clearer what the men were wearing. For all that, the picture could as easily have been used to prove the presence of a cow.

That there might have been a killer on the grassy knoll near the Kennedy parade route, firing from another direction than Lee Harvey Oswald, remains open to question, as the congressional committee indicated in the 70s. This has not, however, been proven, and it certainly is not proven by the shadowy Polaroid.

But the real damage to journalistic integrity came later in the program when producers named three Marseille gangsters as the president's killers. The first source of this information was Christian David, a Frenchman who spent years in American jails for his role in the French Connection drug ring and who now is in a French jail facing charges in the murder of a police commissioner. He is a man of no credibility. The program's second source was an informer for the U.S. Drug Enforcement Agency, seen on camera only with his face covered.

And that was it! The investigators made no effort to find out if, by chance, those men could have been in Dallas on Nov. 22, 1963. We now know that two of them were nowhere near the scene of the crime. One was aboard a French minesweeper in the harbor of Toulon (as verified by the Defense Ministry in Paris). The second was in prison in Marseille (as the Justice Ministry confirmed). The third man, a French newspaper has established, was on sick leave from his job in Marseille as a docker, having lost an eye. Is it possible to believe that such a man was recruited to kill the American president?

This information, of course, destroys the British theory, demonstrating once again how hard it is to make a solid case for conspiracy in the Kennedy killing. For seven years I have had a thick dossier alleging that three other Frenchmen, linked to the OAS, killed the president. That file suffers from the same lack of proof as the British program.

Just a month ago, a new theory emerged on Lincoln's assassination in 1865. I have no doubt that 100 years from now investigators will still be trying to determine who killed John Kennedy.

The writer, who was press secretary to President Kennedy, is senior editor of Europe for ABC News. He contributed this column to the International Herald Tribune.

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At the Papers: Season of the Hamlet-Like Mode

By Richard Harwood

WASHINGTON — The Chicago Tribune in 1936 had an unambiguous view of the Roosevelt administration, which was expressed as a slogan on its editorial page: "Turn the rascals out." As the fall election approached, that year it published a daily advertisement for its readers: "Only [X] days in which to save your country. What are you doing to save it?" The passion and partisanship that inspired this bombast are largely missing from America's newspapers today. Columnists still attempt to maintain those traditions and provide mass entertainment by hurling *bons mots* and cotton-candy hand grenades in all directions. But publishers no longer kid themselves that they are "kingmakers" or political heavyweights. FDR, like Ronald Reagan, taught them that their huffing and puffing as often as not is to no avail.

Editors, probably more sophisticated and certainly more independent today than in the past, have grown uncomfortable in the role of journalistic Jimmy Swagart, preaching the One-Two, 100 Proof Doctrine of Political Salvation. They tend to see a world in which the primary shades are not black or white but gray.

As for the large corporations that own 74 percent of the daily newspapers, business toward the ideals of democracy is becoming a standard public posture. Knight-Ridder, News-house and Gannett allow the managers of their "many properties" to endorse whomever they wish, whether for the presidency or for the local sanitary commission. Don Hicks, a vice president of the Thomson chain, which owns more than 100 American newspapers, described this corporate detachment nicely in a recent magazine interview: "We do not get involved in anything along that line. It reminds us of an enduring truth: The main business of the newspaper business is business.

There are exceptions to this pattern. The

Graham, the publisher, who are themselves sometimes in political disagreement. Herlock, the editorial page cartoonist, is not involved in these proceedings and, like the various columnists in The Post's literary stable, goes his own way politically, speaking for himself but not for the newspaper. Nor are the managers of the newsroom involved — Benjamin Bradlee, the executive editor, and Leonard Downie, the managing editor.

The huge newsroom staff, thought (by me) to be viscerally Democratic and L — in its sympathies, licks in the wings as a sort of silent, nonvoting regiment of Jimmy Crackers, peering in a metaphorical sense, over the shoulders of the editorial custodians of the newspaper's "soul." They would, if given a vote, go like a shot, I suspect, for Mr. Dukakis. But the Grahams, Meg Greenfield and their editorialists obviously have been in a Hamlet-like mode. If there had been a clear and compelling choice between the presidential candidates, they would have declared themselves before now. Their instincts historically have been somewhat left of center, but they have become of late less doctrinaire, more unpredictable and, in matters of foreign policy, stoutly unenthusiastic.

No one, let us hope, is so foolish or filled up with self-importance as to believe that the electoral fortunes of Mr. Bush or Mr. Dukakis will be much affected by the endorsement of The Post or any other newspaper. The sources of political power in the country, despite all the fashionable harlequin about "media politics" and voter manipulation, reside in an electorate that grows more educated each year and asks, as the dying Goethe asked, not for more heat but for more light. Newspapers and their editorialists, when they do a proper job, turn on the switch.

The writer is ombudsman at The Post.

LETTERS TO THE EDITOR

Of Media and Mediocrity, Man and Image

Each night American television allows the presidential candidates to get their word in edgewise, but anything requiring any time to express is banished to oblivion. During the party conventions, the networks broadcast only a few speeches, preferring to flit about the floor for superficial interviews. The networks owe it to America to give those few days every four years to the country, instead of milking and watering down the political process for a profit. Their licenses should depend on it.

Perhaps they could begin by inviting future candidates to submit to a live test of their actual knowledge of political subjects. Let us see whether the candidates know, for example, that one tribe in Burundi has massacred thousands of members of another tribe (let alone which tribe did it to which). Let them try to provide the latest figures for the federal budget deficit and the annual interest paid on it. This might start the candidates thinking about things more important than the next photo opportunity or the next chance to disparage the character of the opponent.

DUNCAN CALDWELL, Paris.

Regarding the report "Behind Bush, a Strategy of Control and a Man Named Baker" (Oct. 3):

The Bush campaign has shown cynical disregard for the voters by concentrating on image manipulation. Mr. Bush has avoided addressing concrete issues (which is understandable considering the Reagan record) and focused instead on Mr. Dukakis's supposed lack of patriotism. Are we voting for a man or an image?

KEITH ERVIN, Paris.

Regarding "No Longer 'The Enemy of the World'" (Opinion, Oct. 12):

While Dan Quayle may not be entirely correct in saying America is the envy of the world, part of America's image problem is due to the tunnel vision of press folk like Richard Reeves, who write about New York City and think that covers America. There exists a whole continent between the coasts — let's hear about it!

Mr. Reeves also claims that some Europeans have gotten used to "free medical care and free education." Tell that to a Norwegian struggling with tax rates that would

presidency more competitive? One way would be to restrict severely the amount of money a candidate can spend, say to \$1 million or \$5 million, as compared with the \$30 million or more now required.

People with good ideas and little money would then have a chance to compete. The debate would be over ideas and issues. The result would be a healthier, more dynamic, and more truly democratic system — one that would give Americans a real choice for president.

DONALD J. ADAMCHAK, Harare, Zimbabwe.

Advertisement for Herald Tribune subscription. Features a large graphic of a telephone handset and the text "Call Toll-Free and Save up to 50%". Below the graphic is a table of subscription rates for various countries and currencies. The table includes columns for Country/Currency, Toll-Free Telephone Number, 12 months (52 free issues), One-Year Savings, 6 months (26 free issues), and 3 months (13 free issues). Countries listed include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Rest of Europe, N. Afr., X. French Africa, M. East S, Rest of Afr., Gulf S. Asia S, and Central Latin America S. Below the table is a form for subscription information, including fields for name, address, city, country, and telephone number. There are also checkboxes for payment methods like check, access, Amex, Diners, Eurocard, Mastercard, and Visa.

Consensus in the Netherlands

Imbalances Plague Efforts to Reduce 14% Jobless Rate

By Ronald van de Krol

AMSTERDAM — For a full year, the PTT, the Dutch post and telecommunications company, offered its employees a bonus of 1,000 guilders (\$475) each for every woman they could help bring into the organization to fill managerial positions.

In a somewhat similar attempt, the Delft-based biotechnology company Gist-brocades offered to pay 5,000 guilders to any employee who could come up with a qualified computer expert — male or female — to fill vacancies at the company.

The response, in a country with one of the most stubborn unemployment problems in the 12-nation European Community, was meager.

At the PTT, the experiment was discontinued last summer because "not one woman manager entered the organization through this route," according to a spokesman, Ger-Jan Versteeg. At Gist-brocades, the bonus system yielded only a couple of computer specialists, and the plan has since been dropped.

The hiring difficulties of the PTT and Gist-brocades are just two examples of the serious and deep-seated imbalances that plague the Dutch job market and frustrate efforts by the government of Prime Minister Ruud Lubbers to reduce the country's 14 percent jobless rate.

On the one hand, demand for highly qualified women and for highly trained employees in general has never been higher, or more difficult to satisfy.

On the other hand, the ranks of the country's 685,000 unemployed are increasingly made up of people who have been out of work for two years or more, who have low levels of training and schooling, and who consequently have little hope of finding the types of jobs that are being offered.

This situation presents Jan de Koning, minister of social affairs and employment, with special problems. Although the Lubbers government has presided over the largest amount of job creation of any EC coun-

try, the jobs are simply not being filled by the long-term unemployed.

At the same time, the rise in the overall number of jobs has coaxed Dutch women — who, compared with women in the rest of Europe and North America, have traditionally not worked outside the home — to try their luck on the job market, alongside the annual influx of school graduates.

This increase in potential workers has more or less kept pace with the increase in jobs, meaning that overall unemployment has barely fallen. Mr. Lubbers, who vowed at the start of his second four-year term in 1986 to reduce the jobless ranks to 500,000 by 1990, has already had to concede that this goal cannot be reached.

In addition, further scarcities of skilled workers loom ahead as a result of the "graying" of the population, meaning that women in particular are going to have to enter the labor force in greater numbers if these jobs are to be filled.

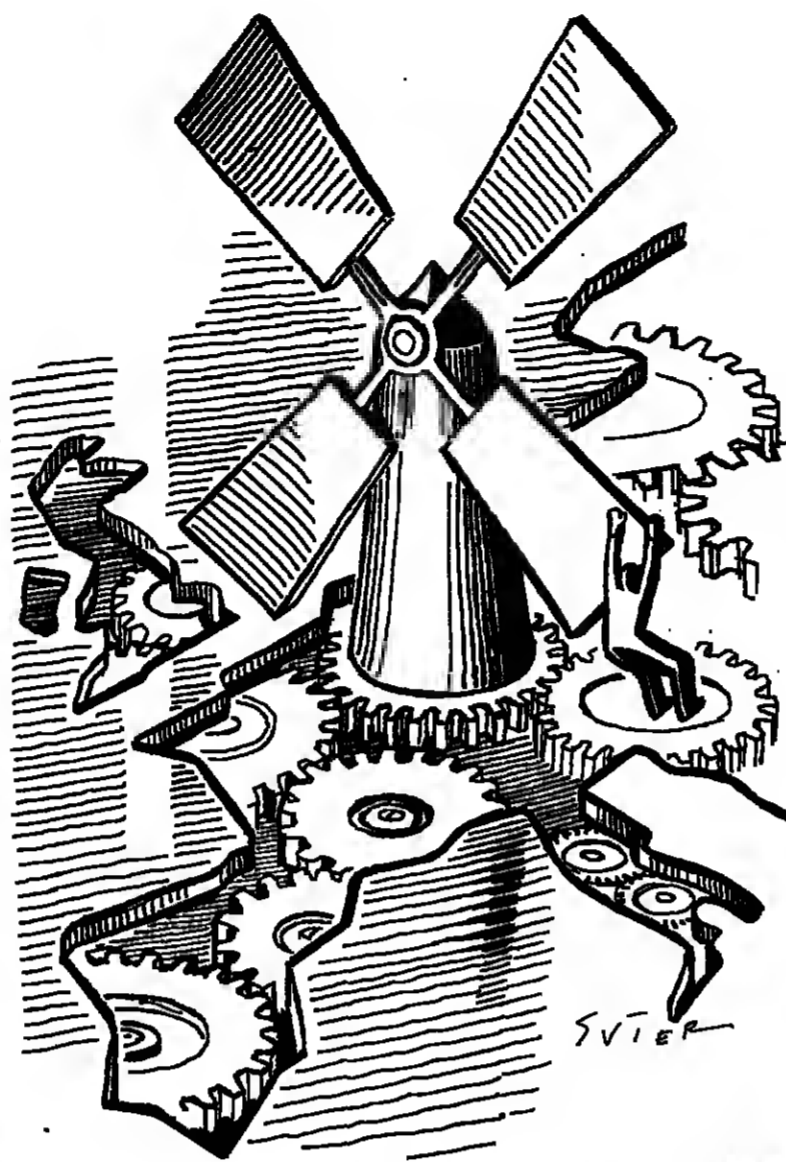
"There is already a very great need for experienced secretaries, and nurses and other medical personnel will also be in demand," said Sabine Sonbeek, a product manager at Vedior, a temporary employment agency which runs special courses for women who want to re-enter the job market after years of working exclusively in the home.

The Netherlands has the lowest percentage of women in the work force of any country in northern Europe with the exception of Ireland. In 1987, for example, only 40 percent of Dutch women worked outside the home, compared with more than 50 percent in most comparable European countries and as much as 65 percent in the United States.

The discrepancy becomes even larger in the upper reaches of Dutch corporations and government.

Anne-Marie Coppens, chairwoman of the Women and Management Foundation, a recently established head-hunting firm that aims to find senior women managers for Dutch businesses, estimates that less than 5 percent of top managerial jobs are held by women in the Netherlands.

Women's groups say that the government



David Sauer

will need to pump more money into child care if the Netherlands is to build up its female work force. At the moment, only one in five working mothers has organized child care at her disposal, statistics show. As a result, two-thirds of first-time mothers quit their jobs after giving birth, while the rest tend to work shorter hours and make private babysitting arrangements with parents or neighbors.

While the projected scarcity of female labor is still several years away, the problem of finding jobs for the long-term, unskilled unemployed is more immediate. Of the

685,000 people registered as unemployed last year, more than 235,000 had been out of work for two years or longer. According to figures published by the Social Affairs Ministry, three-quarters of the long-term unemployed had less than a high school education.

Particularly hard-hit are the "guest workers" who were recruited chiefly from Turkey and Morocco in the 1960s and 1970s to work in Dutch industry. Since the recession of the early 1980s, when thousands of jobs were eliminated in the textile and shipbuilding

Continued on page 10

EC's 1992 Deadline Helps Blur Party Lines

'Every Dutchman is part vicar and part trader — claiming the high ground but adept at deals.'

By Henry Tanner

THE HAGUE — Prime Minister Ruud Lubbers, who for six years has been heading a center-right government that believes in privatization and fiscal frugality, is getting good marks even from the Socialist opposition.

"Consensus," "no-nonsense politics," "new realism" and "new objectivity" — after the no-frills art movement of the 1920s — are the political catchwords of the day, summing up the determination of the political parties to get along with each other.

Two issues of left-right confrontation that clouded the 1970s and early 1980s are no longer on the agenda.

The conflict over the North Atlantic Treaty Organization's plans for stationing new U.S. cruise missiles on Dutch soil was moot by last year's signing of the U.S.-Soviet treaty on intermediate-range nuclear weapons.

And the debate over the future of the welfare state has been resolved to the extent that the Labor Party has dropped its maximalist positions of earlier decades while Mr. Lubbers has managed to convince most Dutchmen, even of the left, that he is cutting little more than the fat from social spending and is leaving the welfare system itself intact. What continues is a debate on how much and where to cut.

On both sides of the left-right divide, officials now feel that a coalition between the opposition Labor Party and Mr. Lubbers's Christian Democrats should be attempted after the next parliamentary election, in early 1990.

Even a coalition between Labor and the conservative Liberals is not ruled out — so whittled down have the ideological differences become. The Liberals are the junior party of the Christian Democrats in

the present government. But many politicians that the coalition is beginning to show the fading age and that tension between Mr. Lubbers and Voothoew, the Liberal leader, has been growing the last year.

The new-found moderation of the parties of the welfare state is largely due to a new urgency prompted by the creation of a new European market after 1992.

The Dutch, for the most part, have advocates of a united Europe for as they have just been told that their country is mostly of the wrong kind.

In a new book entitled "The Dutch: A young political scientist, Paul Schmitter, being a small trading nation and aggressive nationalists, despite neighbors, the Dutch have been idealized, unproblematical and

The book's cover shows a heraldic animal, sitting on a globe. Being satisfied is not satisfied, the author said in

The Dutch tend to think really enlightened country idealized self-image is a pre- added, because it is under the others. Countries like will behave like the me powers they are and will ests and Europe must pro to do so.

The author, who is clear that for these reasons it nuclear-free Europe, a Dutch Socialist. He p every sort will be tough and between Europe and planners and industrialist latter point.

Queen Beatrix, delivered policy statement this year, challenges of 1992.

"The idea of 1992 is cost are asking: Will we be able costs too high? Are our stu good enough?" said Abraham Amsterdam University who are legitimate but must not trialists eager to cut labor d. Being a nation of farmers tively undeveloped industria are judged to be vulnerable.

Geography plus trading an

Continued on



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صكنا من الامم

'No-Nonsense' Management Reaps Its Rewards

By Ronald van de Krol

THE HAGUE — Halfway through his second four-year term, Prime Minister Ruud Lubbers can point with satisfaction to a clutch of economic successes: Inflation is all but nonexistent, interest rates are low, company profits are up, corporate investment continues to be strong and exports remain buoyant.

In short, the economy, under Mr. Lubbers's "no-nonsense" style of economic management and his assaults on the runaway government spending that marked the prosperous 1960s and 1970s, is far removed from the state in which Mr. Lubbers' center-right coalition found it when he assumed office in the midst of recession in 1982.

Some of the credit for the turnaround can be pinned to the resilience of world trade, a key factor in the health of the export-oriented Dutch economy.

Mr. Lubbers and his coalition have garnered much of the credit, too, putting them in a strong position in the run-up to the general election of 1990. Mr. Lubbers has already taken the unusual step of announcing two years in advance

that he will be seeking a third term.

But for all his economic successes, Mr. Lubbers still faces the supreme intractable problem of unemployment as well as a nagging concern — state finances.

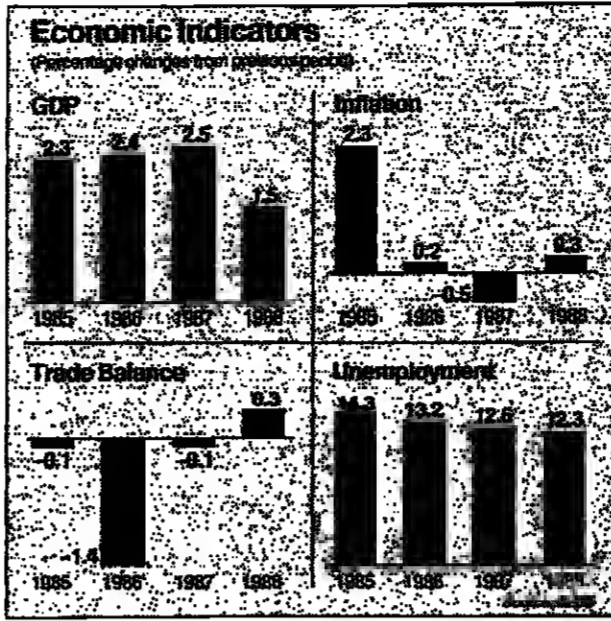
In the flush of his re-election victory in 1986, Mr. Lubbers said that reducing the country's unemployment would be his top priority, and he promised to lower unemployment by 50,000 a year to 500,000 by 1990.

Mr. Lubbers's willingness to go on record with a specific target is bound to come back to haunt him when campaigning begins in earnest. Already, his government has acknowledged that, with unemployment still hovering just below 700,000 for an official unemployment rate of 14 percent, this goal is unattainable.

Still it seems that the government can continue to count on good news on the economic front right up to the next general election.

In its annual September forecast accompanying the government's budget for the coming calendar year, the semi-independent Central Plan Bureau published its most optimistic assessment for 1988. Industrial production in 1988 is forecast to rise by 3.5 percent, the second-highest result so far in the 1980s, while national income, adjusted for inflation, is tipped to show 3 percent growth in 1989 after increasing by a projected 1.75 percent in 1988.

The 70 billion guilder (\$85 billion) budget for 1989 also contained an abundance of good fi-



Lee Coker/International Herald Tribune

Financial news from the government's point of view. In addition to previously agreed spending reductions, the budget called for extra cuts next year of 1.3 billion guilders, mainly in education, housing and defense. The government's statement also predicted that it would meet its long-standing goal of reducing the financing deficit to 5.25 percent of national income in 1990, well below its postwar high of 10.1 percent that was reached in 1983.

Finally, as a prelude to a major program of tax cuts and tax reform planned for 1990, the government announced that the top 20-percent rate of value-added tax would be reduced to 18.5 percent on Jan. 1, while corporate tax would fall from the present 42 percent to 40 percent on the first 250,000 guilders of profit and to 35 percent on any remaining profit above this amount.

Though the financing deficit is shrinking, total state debt is still rising and is likely to continue doing so into the 1990s. Public authority debt is now equivalent to nearly 80 percent of gross national product, creating a huge financing burden.

In 1989, for example, the central government will spend 21.9 billion guilders on serving its debt, marking the second-largest single item of expenditure after education.

The state of the government's finances prompted Wim Duisenberg, president of the Dutch central bank, to complain earlier this year about the slow pace of putting them back in order.

"The widely held view that we have gradually made decent advances in restoring the health of public finances is perhaps based on wishful thinking, hope or anxiety fatigue or whatever, but not on the facts," he said.

In an interview, Finance Minister Onno Ruding said that Mr. Duisenberg's criticism was partially justified.

"We have a deficit that is too high, and we could and should have done more," he conceded. "But he has disregarded a major factor in which we, unfortunately, are unique, and that is the enormous drop in gas revenues."

Revenues from natural gas production have collapsed dramatically, reflecting the weakness of oil prices and the fall of the dollar, both of which ultimately translate into lower gas prices.

Between 1985 and 1987, gas revenues plummeted from an annual 23 billion guilders to 7 billion guilders. "That 16 billion guilder drop is equivalent to 4 percent of GNP disappearing in the space of two years," Mr. Ruding noted.

The dwindling of gas revenue is symbolic of the changes in Dutch society and the Dutch economy over the past 25 years. In the

1960s, the coming on stream of natural gas production in the northern province of Groningen heralded the advent of unprecedented prosperity in the Netherlands and the establishment of an elaborate and generous welfare system providing subsidies and grants to artists, industry, minority groups and, later, to just about any worthy social project.

In the first years of the Lubbers government, welfare payments were lowered and then frozen, although they remain generous by most standards. For example, people who draw disability payments — and the Dutch have the world's highest percentage of disability recipients — now receive 70 percent of their former salaries until they reach the age of 65, down from 80 percent in the early 1980s.

Mr. Ruding noted that the government had succeeded in reducing unemployment among young people and school-leavers generally. What remains, however, is a hard core of long-term unemployed, whose skills and schooling do not qualify them for the vacancies that do exist.

While he acknowledged that some "austerity fatigue" had set in, making it more difficult for the cabinet to enforce budgetary discipline, Mr. Ruding said efforts to control state spending will have to continue into the 1990s, adding that support for fiscal frugality was broadly based.

"There is broad support — even from the Socialist opposition, unlike a few years ago — for bringing down the budget deficit after 1990," he said.

Pace of Privatization

By Madeyn Resener

While privatization in Britain has been a politically sensitive issue, in the Netherlands it is a pragmatic matter. The government has quietly shifted partially state-owned firms, such as KLM, to the private sector by Postbank NV, a commercial bank, and a commercial NV, a chemicals and oil company, and has even the postal service to raise 2.05 billion guilders to help compensate for the Dutch natural gas sector's overruns.

The government's initial sale of 30 percent of DSM is expected to raise 800 million to 1 billion guilders, making it the single largest offering of new shares ever on the Amsterdam Stock Exchange.

percent ownership. DSM began expanding into chemicals in the 1930s.

After the discovery of natural gas fields near Groningen in the 1960s prompted a government decision to close the coal mines, DSM was left to pursue its chemical activities as the core of an ambitious diversification program. DSM was managed as a private company, the government acted merely as an advisor.

By the time the last coal mine was closed in 1973, which brought higher raw material prices and culminated in the 1982 recession, the company has climbed back to respectable profit levels. Last year it reported a net profit of 442 million guilders on revenue of 9 billion guilders.

The company will continue to receive 130 million guilders in a tax-free subsidy from the government for management of the country's natural gas activities. That will offer some protection from any economic downturn that DSM's competitors do not enjoy, analysts noted.

for Dutch State Mines, illustrated as a coal mining company, which retained 100

Loss of Tax Credits Alters Investment

AMSTERDAM — When the government announced last March that it was scrapping investment tax credits to industry, businessmen protested. They were angered by what they viewed as the government's reneging on a pledge not to touch the subsidy until 1990, after the next scheduled national elections.

"A reduction of the incentives changes the investment climate, and that's troublesome for corporate decision-making," said Paul Verhaegen, director of economic affairs for the Dutch Federation of Industry, the main employers' organization.

Business leaders also were incensed by the way in which the change was announced — on a Saturday evening. That set many companies scrambling to take advantage of a 48-hour grace period to finalize investment contracts. On the Sunday, KLM Royal Dutch Airlines ordered two Boeing 747s, and a truck dealer in Limburg reported selling more stock that day than during the whole year. By some estimates, up to 1 billion guilders in investment may have been carried forward that weekend.

Relations between business and government have now been set right, since the subsidy plan, known as the WIR,

was quickly replaced by a reduction of the corporate tax rate to 35 percent from 42 percent and the assumption by the government of a social security premium previously paid by employers.

The WIR was set up in the mid-1970s, when net investment by Dutch business had slumped to 2 percent of GNP because of high oil prices, lagging exports and the international recession. It was designed to cost 4.2 billion guilders a year, but companies made greater use of it than expected. As a result, the WIR had been running 2 billion guilders (\$1 billion) a year above budget since 1983.

"We had a serious problem with the cost of the WIR rising so quickly," said Anton Schoemaker, director of fiscal affairs at the Finance Ministry.

The government had actually begun scaling back the program some years ago by eliminating the subsidies in areas where it felt they were no longer needed. Rather than continuing to phase the premium out gradually, officials decided it would be better to eliminate it outright.

Abolishing it, said Mr. Schoemaker, not only saved the government money, but also put a stop to uneconomic investment made exclusively for the tax break. It allowed

the government to put the Netherlands' corporate tax rate on a par with that in Britain, enhancing its competitive position within the European Community.

Officials estimate the cost of lowering the corporate tax rate at 1.8 billion guilders and the cost of paying for child subsidies at 2.3 billion guilders; that totals the amount budgeted for the WIR. But after 1990, the net effect on business will be a negative 1 billion guilders, said E. Frans Limburg, chief economist at Amsterdam-Rotterdam Bank.

"The net result for business is slightly negative, but the situation of business had improved tremendously, so I don't think this will be a deterrent to foreign investors," he said.

In general, more mature companies as well as labor-intensive companies will benefit more because the new measures favor hiring more workers.

"The WIR had served its purpose. It was time to abolish it," said Hubert J.A. Tubbers, executive director of the Netherlands Foreign Investment Agency's office for Europe. The reduction of the corporate tax to 35 percent "brings us very well in line with the other EC countries."

Madelyn Resener

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Contact: Gelderland Development Authority (GOM)
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 Phone: +31 (0) 85-511334
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 -waterways
 -railways
 -(international) airports (nearby)
- ✓ • telecommunication facilities
- ✓ • quality of business climate
- ✓ • suppliers, subcontractors, services
- ✓ • presence and access to scientific institutions
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- ✓ • cooperation with regional and local authorities
- ✓ • support
- ✓ • availability/prices of suitable business sites/accommodations
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- ✓ • labour climate
- ✓ • availability of qualified workforce
 -education level
 -dedication and attitude
 -multilingual
- ✓ • social climate
- ✓ • financial climate
- ✓ • investment climate
 -investment grants
 -availability venture capital
- ✓ • quality of life
- ✓ • quality of the living environment
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صكنا من الأصل

Transformed City ■ An Enfant Terrible ■ Pride and Polders

Eindhoven: From Hamlet to High-Tech

By Henry Tanner

EINDHOVEN — This is a company town in transition to another kind of life. When Philips, which now employs 330,000 people worldwide, started manufacturing light bulbs here 98 years ago, it had eight workers and was already the town's biggest employer.

Eindhoven was a sleepy hamlet of 6,500 people surrounded by pastures and woods. The glassblowers and other skilled workers that the fast-growing company attracted came from the more prosperous northern parts of the Netherlands and the town could not provide the amenities they required for themselves and their families. So Philips built what was needed.

By the end of the 1920s, there was a Philips Village of traditional one-family houses, Philips kindergartens, primary and high schools, Philips hospitals, sporting grounds, grocery stores, a Philips

theater, philharmonic, actors' guild and lending library. Teachers, doctors and midwives were on the Philips payroll.

And Mrs. Anton Philips, the founder's wife, set up cooking courses for the daughters of Philips employees.

"We were the most paternalistic company in Holland, and perhaps in Europe," said Jack Reemers, a Philips executive. That is a distinction the company no longer claims.

The image that Philips now wants to have is that of a well-run, no-frills modern company concentrating on its core business — consumer electronics, lighting, electronic components and information technology — in which it is among the world leaders.

Eindhoven has felt the impact of this strategy. Beginning slowly in the late 1950s and more rapidly since 1980, dozens of Philips institutions that "have nothing to do with electronics" have been turned over to the city or turned into

independent commercial operations.

The schools and the library are now run by the city. Three hospitals are run by nonprofit organizations. Doctors and midwives are private practitioners. The groceries have been sold to a private chain.

The housing department which is running the Philips Village and other housing developments now is an independent operation and rents to non-Philips people. The Philips Travel Agency, once serving the company only, is a profitable separate business serving other companies as well.

At least four sporting facilities have been turned over to the municipality.

Not all the changes were smooth. There were strikes — the first at Philips in about 50 years — and tough protracted negotiations earlier this year when the Philips food department with its 100-odd company mess halls was turned into an independent, self-supporting commercial operation. The change meant that several hun-

dred employees were shifted from the Philips payroll to lower pay under the nationwide contract for catering personnel.

The city has been able to live with the changes. "Eindhoven is a boom town," said Joep Crolla, an editor at the Eindhoven Dagblad, the city's independent newspaper, even though Philips is no longer the dispenser of life-long job security and social services.

Philips is still by far the largest employer, with a local work force of about 33,000. The permanently lit Light Tower, where Philips tests its bulbs, is still the most prominent building. The Philips soccer team, PSV Eindhoven, the Dutch national champion which won the European Champions' Cup this year, is the pride of the town as well as the company. And the larger-than-life statue of founder Anton Philips still greets the traveler as he arrives at the central station.

But there is life outside Philips now. Greater Eindhoven, with some 300,000 inhabitants, today is a highly diversified, high-technology industrial area. Hundreds of

new companies, with from 10 to about 2,000 workers, have moved here or been created locally in the last 15 or so years.

"Some were founded by former Philips staffers; some are the local offices of major international companies that have discovered they must be here to become Philips clients, some are independent innovative high-tech companies seeking their own special niches in the European market," said Toon Saunders of the Regional Development Authority.

Eindhoven, the site of one of the Netherlands' three Technical Universities, offers a skilled work force, proximity to West Germany and Belgium and a busy small international airport of its own.

The regional development office was set up in 1982, to the depth of the recession, when it Philips take care of things.

Unemployment in the Eindhoven area reached a peak of 24,000 in 1984. Today it is down to 16,500, substantially below the national average of about 13 percent, according to the Dagblad.

Wim Ter Welle, the head of the union representing Philips' white-collar workers, said that Philips has reduced its work force in the Netherlands by 7,500 since restructuring began in earnest in 1980. More than 2,000 Philips jobs will be lost in the Netherlands this year, a company spokesman said.

In addition to voluntary departures, those who have been "forced to leave," in the words of a company official, are workers above the age of 55.

Philips, through lump-sum payments and banking facilities, is supplementing the unemployment payments made by the state. The terms of these arrangements, especially the length of notice given to employees, have been the subject of heated disputes.

The number of white-collar jobs is increasing in the area and the number of blue-collar workers has fallen.

"Philips has to restructure if it wants to survive," said Mr. Crolla of the Dagblad.

Mr. Ter Welle, the union man, did not disagree but criticized Philips for having started its restructuring too late and having made "awful mistakes" to the past.

"People used to think that Philips, like the pope, could make no mistakes and would never be in trouble," Mr. Ter Welle said. "We thought the end was in sight, but it isn't. A lot of Philips people fear for their jobs."



Downtown Eindhoven: The village has grown to a metropolis of more than 200,000.

Black Humor Spices a Van Gogh's Films

By Mark Fuller

AMSTERDAM — The Dutch filmmaker, Theo van Gogh, has learned to live with the fact that his great uncle, Vincent van Gogh, will always loom large in conversations about his own work.

"It used to be a really big problem because the media always tried to compare the two of us as artists," he said. "I'm an entertainer, not an artist. But then again, the Van Gogh name has opened many doors for me, especially in America. I think Vincent is one of the last holy persons left in Holland. I've always wanted to make a movie parodying his life titled Golden Ear, but nobody would finance it," he added laughing.

Black humor is a specialty of the 31-year-old film director. Mr. Van Gogh's past four films have established him as the enfant terrible of Dutch cinema and given him a cult following.

The controversy generated by some of his films' often taboo subjects, such as necrophilia and sado-masochism, and his frequent vitriolic attacks on establishment figures have guaranteed him a wide public notoriety.

But for all his verbal bluster and sardonic wit, Mr. Van Gogh is a serious and sensitive filmmaker. He began filming in his late teens because "it was such a fun thing to do — to create your own world."

His first effort, a 16mm black and white film about a slave-master relationship did not appeal to Amsterdam's film academy which turned him down. They advised him instead to see a psychiatrist.

"Maybe I'm perverted, but I certainly don't need a shrink," said Mr. Van Gogh.

He admits that his films are "a bit weird"



Theo Van Gogh in the Hall of Justice in The Hague, which he used for his latest film.

to outraged viewers that they were still alive.

"It was totally absurd," he said. "The viewers ignored a second TV clip from the film which showed far greater human suffering."

Mr. Van Gogh added, "We're basically a country of preachers, ever ready to condemn the regime in South Africa or a South American dictator. Yet, apartheid is a Dutch word, and Holland was one of the world's biggest slave traders."

His second and fourth films, "A Day at the Beach" (1984) and "Return to Destegeest" (1987) proved that he could handle major themes and attract mainstream audiences.

Mr. Van Gogh has just finished his fifth movie, provisionally titled "Showtime," which he describes as a romantic thriller. It tells the story of a famous lawyer who becomes embroiled in the defense of a night club owner accused of a sexual killing. The lawyer falls in love with a woman sent by the night club owner to entice him to take on the brief. "He wins the case but loses the woman," Mr. Van Gogh said.

The film will be released in the spring and will also be distributed in Japan, marking Mr. Van Gogh's foreign debut.

True to form, Mr. Van Gogh has already managed to surround the film with controversy. By lambasting Rob Out, the head of Veronica, one of the biggest Dutch broadcasters, he forfeited the company's 250,000-guilder (\$125,000) contribution to the film's budget.

And to his producer's despair, he is now telling the media that the film's title has been changed to "No Potatoes," because, he explained, "there are no potatoes in it."

MARK FULLER is the Dutch-based correspondent for The Times of London.

Reclaimed Flevoland a Symbol Of Battle Against Adversity

LELYSTAD — The city of Lelystad and the flat neat pastures and wheat fields and fledgling industrial developments that surround it are "the newest but far from most dynamic region" of the Netherlands in the words of Mayor J.P.A. Gruijters.

The polder of Flevoland, northeast of Amsterdam, where Lelystad is situated, was reclaimed in 1957. It took 10 years to do the pumping, draining, seeding and tree planting and to build the cozy traditional dwellings, administrative buildings, recreational areas, roads, railroad and other infrastructure. In 1966, the first inhabitants moved into Lelystad.

Like all reclaimed lands, Flevoland is an object of Dutch pride, a symbol of the nation's battle against adversity.

"It is a good place to live in," said Mayor Gruijters. Housing is cheap and better than in the old cities. There are marinas, tennis courts, swimming pools and other sports facilities for children. The schools are good. So is the air, and Amsterdam is only 45 minutes away by clean, fast trains. There are woods and a huge bird sanctuary.

But not all has gone well. It was planned for 80,000 people but the planners overestimated the nation's economic growth rate. After 22 years, the city has 58,000 inhabitants and is growing by a few hundred souls a year, according to the mayor. Its infrastructure is too big and costly for its size. Unemployment is 19 percent, some 6 percent above the national average.

Almere, its twin city which was opened in 1976, 10 years after Lelystad, is about half the distance from Amsterdam and got many of the commuters for which Lelystad was meant. Its population is over 80,000 and growing by more than 4,000 a year.

Though built as a showcase, Lelystad had no industrial core of its own to attract new industries. "We learned that you cannot force development; it has to happen naturally, a log does not move upriver," Mr. Gruijters said.

The land on Flevoland is among the best in Europe. The farms are between 48 to 56 hectares (120 and 140 acres) and mechanized — and size and equipment count. With the European Community setting prices to assure the survival of much smaller and less efficient farms in other countries, the local farmer-entrepreneurs have struck it rich quickly. Their latest profitable line is tulip bulbs for the United States and Japan.

But agriculture, though still the strong suit of the Dutch economy, is no longer the national priority that it was when the reclamation schemes were launched. To create new industries rather than grow more food is the national objective.

Another priority — to create new land for people to live on — also has lost its urgency, and long-standing plans to reclaim the last wide stretch of open water west of Lelystad and Almere have been shelved indefinitely, perhaps permanently.

Henry Tanner

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FROM AMSTERDAM TO 4 NEW DESTINATIONS

Horticulture's Silver Lining

By Ronald van de Krol

NAALDWIJK, Netherlands — As the dark days of winter approach, a small group of farmers in the Netherlands' Westland region — the world's largest collection of high-technology greenhouses — is getting ready to trick nature into prolonging the growing season.

The farmers, using a new generation of powerful sodium lamps, will soon be flooding their greenhouses at night with orange-colored light to compensate for the weakness of the light during the northern European winter.

The intensity of the artificial light makes tomato plants, cucumbers, lettuce and roses think they are getting more light than is actually present, and they respond accordingly — by growing steadily throughout the winter.

The technique, called "assimilation lighting," is expensive, requiring a total investment of up to 1 million guilders (\$475,000) per farmer. But it is slowly catching on, marking a further advance in

Dutch horticulture's battle to use sophisticated, automated greenhouses to compensate for the lack of sun and warmth in the climate. But increasingly, greenhouses, and horticulture generally, are also helping to insulate Dutch agriculture from the politics of the European Community's agricultural policy.

As the EC tries to clamp down on overproduction of such products as milk and grain, Dutch farmers are stepping up their plantings of products that fall outside the price-regulatory domain of the EC — flowers, vegetables and fruit.

The adaptability of Dutch farmers, as well as their intensive growing methods, helps explain why agriculture, a key, export-oriented sector of the Dutch economy, continues to book new advances at a time when farmers in the rest of Europe are mostly confronted with declining incomes.

In 1987, Dutch farm incomes rose an average 3.6 percent, in sharp contrast to the 5.1 percent decline recorded in the EC as a whole. Overall, the Dutch agriculture and the foodstuffs industry

produced another hefty trade surplus of 17 billion guilders last year. Agricultural products again accounted for 25 percent of all exports, confirming the Netherlands' long-standing position as the world's second-largest agricultural exporter after the United States.

While the agricultural sector is certainly robust, there are problem areas. "Comparisons at the national level show large discrepancies between the various sectors," Gerrit Braks, minister for agriculture and fisheries, said in his 1989 budget statement. "Horticulture, for example, booked good results. By contrast, results in arable farming were disappointing."

The decline in cash crops was the result of lower grain prices, lower prices for unregulated products such as potatoes and onions, and reduced harvests last year.

The dairy sector, which still accounts for 30 percent of Dutch agricultural production in value terms, has generally held its own despite the introduction by the EC of a "super levy" on milk production several years ago.

Nevertheless, the levy imposed

on any surplus output above a fixed level, has clearly succeeded in reducing production, with Dutch milk output next year forecast to be 12 percent lower than it was in 1983.

Dutch dairy farmers, arguing that the EC's clampdown on overproduction threatens to create milk shortages, now want the super levy system to be made more flexible through, for example, allowing one farmer to "lease" his milk quota to another farmer. Mr. Braks has promised to launch a study of this and other options during the autumn.

In pig, chicken and calf husbandry, limits to growth of another kind have emerged. Until recently, farmers disenchanted with dairy farming could easily be persuaded to turn to pig breeding and poultry farming.

But now, following nearly two decades of steady expansion of the Dutch livestock sector, meat supplies appear to have caught up with demand.

Compared with the stagnation of the dairy and livestock sectors, which together account for 65 per-



Flowers are prepared for market in Aalsmeer.

cent of production, "horticulture under glass" is expected to show steady growth of 5 percent per year over the next few years.

David Luteijn, chairman of Cebeco-Handelaar, an umbrella organization for various buying and selling cooperatives in the agricultural sector, has estimated that animal-based agriculture will account for only half of production by the year 2000.

"By then, greenhouse horticulture will easily be the largest agriculture sector in the Netherlands," he said in a speech earlier this year. At the moment, horticulture, both under glass and in the open air, has a 30 percent share of total agricultural production.

2 Cities Hoping To Increase Role as European Gateways

By Frank De Jong

AMSTERDAM — The Dutch hope that their country will be able to play a major role as a "Gateway to Europe" when the European Community pulls down its inner borders at the end of 1992.

By and large, transport circles are optimistic that Rotterdam, as the busiest and largest port in the world, will retain its leading position, particularly in regards to European-bound cargo from North America.

The same goes, more or less, for Amsterdam's Schiphol Airport, the fifth largest in Europe, which has steadily improved its position as the turnkey for American freight destined for a number of countries in Europe.

The Dutch are worried that ports like Antwerp in Belgium, or Hamburg and Bremen in West Germany, are lying in wait to grab Rotterdam's leading position, not only in the shipment of goods for Western Europe, but for elsewhere in the world.

And while officials in The Hague claim that Rotterdam's position might, in the long term, be on the wane, the Rotterdam Port Authority is preparing to adapt Rotterdam from a simple transit harbor into Europe's distribution center.

Transport Minister Neelke Smit-Kroes believes that the Dutch can make the Netherlands a genuine European distribution center for goods from the Americas, the Far East and other countries.

Last year, Rotterdam launched an electronic message network, the International Transport Information System, to link the port's cus-

tomers to shipping lines, cargo agents and freight forwarders. The system is designed to facilitate a paperless transfer of data, allowing exporters and importers to keep track of cargo movements.

In 1987, Rotterdam retained its leading position by achieving an overall transshipment of 255 million tons, including 208 million tons of bulk goods and 47 million tons in general cargo. Developments in the crude oil trade caused a slight decrease in the transshipment of oil products last year: 19 million tons as against more than 22 million tons in 1986. But the flow of crude remained stable at 17 million tons.

At the moment, bulk cargo, such as crude oil, oil products, coal, iron ore and grain, still accounts for 80 percent of Rotterdam's tonnage. That percentage is expected to drop gradually, however, in favor of container transport/general cargo.

Amsterdam's Schiphol Airport is also chiseling a bigger niche in the world transport of cargo. Last year it handled more than 513,000 tons of incoming and outgoing cargo, a 14 percent increase over 1986.

The airport's spokesman, Rien Floris, is certain that this year's growth rate will exceed 15 percent.

Two years ago, Schiphol handled 148,000 tons of airfreight to and from North America, as against 170,000 tons last year. This year's figure may be approaching the 200,000-ton mark, according to some forecasts.

FRANK DE JONG writes from the Netherlands for the London Daily Express and Irish newspapers.

1992 Helps Blur Rivalries

Continued from page 7

The Netherlands — the "Gateway to Europe." But the Dutch now worry that their gateway position — Rotterdam, the world's busiest port, the Rhine River and the railroad and road network leading south to the Ruhr — may be bypassed by new traffic lines. A government commission recently warned that the Channel Tunnel and France's high-speed trains will create new direct links from the Atlantic to the fastest-growing industrial centers of the continent — the high-technology regions of southern Germany, the Paris-Lyon area and southern Europe.

"In order to remain Europe's foremost country of transit, Holland must develop a new range of specialized industries supplying component parts to the industrial giants of West Germany, the United States and Japan," said Deputy Foreign Minister Berend-Jan van Voorst tot Voorst, the cabinet's European specialist. New small and medium companies must trade on the Dutch reputation for reliability and speed of communications to become an integral part of the computerized "just-in-time" manufacturing systems of the big concerns, he said.

Large Dutch retailing firms already boast the shortest delivery times in the world. Dutch companies are suppliers to the German automobile industry.

The Lubbers government takes credit for having put the country in a better position to compete after 1992. But most economists believe that more austerity is needed. The public debt remains staggering. Even Wim Kok, the head of the opposition Labor Party, recently declared that public expenditures must be cut further — and this, by definition, means further cutbacks in social payments.

The most notable single change in social welfare policies has been the tightening of the Disability Act under which anyone claiming "psychological disability" was able to get full compensation.

The act, which was created as one of the most spectacular features of the Dutch welfare state, is now judged to have been destructive for individuals and society. Young people who invoked it, sometimes as a last, discovered many years later that they were regarded as unemployable for life.

Unemployment remains one of the country's most urgent problems. New jobs have been created but have gone mostly to newcomers to the labor market — such as married women who are seeking employment in record numbers, a trend that had started earlier in the rest of Europe. Mr. Lubbers' promise to reduce the number of jobless by 50,000 a year has proved to be unrealistic.

The Lubbers government is trying to create a "responsible, caring society" said Arie Oostlander, the head of the Christian Democrats' think tank.

The idea, he explained, is for hundreds of institutions to act as "social partners" and to assume as many as possible of the responsibilities that previous governments had given to the state. Schools, for instance, should be independent

but subsidized; hospitals and similar institutions should be run by nonprofit organizations; unions, insurance companies, professional organizations, client and consumer groups all should deal with each other while the government confines its role to setting the ground rules and providing a framework.

So what is their mood as the Dutch are pondering their chances in Europe?

"Every Dutchman is part vicar and part trader, claiming to take the high ground but adept at making deals and driving a hard bargain," said Peter Brusse, editor of *Elsevier* weekly.

Mr. Scheffer's complaint about the lack of nationalist impulses notwithstanding, the Dutch went on an emotional binge when their soccer team won the European championship this summer.

The queen "reconquered" Amsterdam this year, Mr. Brusse related, when she got a tumultuous popular welcome during a walk through some of the city's tougher neighborhoods where anti-royalist feeling had been strong during recent years of social conflict.

J.P.A. Gruijters, a former minister of planning and now mayor of Leydsdijk, northeast of Amsterdam, is one of the voices warning against too much togetherness and satisfaction.

"Consensus is fine," he told a visitor, "but we are so in love with it that we don't see its ugly side. It is highly selective, based on not seeing rather than seeing. It keeps us from facing up to the public debt, for instance, the same with unemployment, the difference between the minimum wage and the dole is so small that people have no incentive to work, but we don't talk about this. We are not breaking old taboos."

HENRY TANNER is on the staff of the International Herald Tribune.

Imbalance in Job Scene

Continued from page 7

industries, many of these former guest workers and their families have never been able to find new jobs. As much as 40 percent of Turkish and Moroccan adults in the Netherlands are unemployed, the ministry estimates.

For all these reasons, "retraining" and "schooling" have become the latest buzzwords in unemployment policy, replacing the emphasis on shorter working weeks and a "redistribution of labor" that marked much of the early 1980s.

Seizing upon the new emphasis on job skills, the government launched a three-year project in April aimed at holding a personal "reorientation talk" with all the 170,000 people who have been out of work for more than three years.

The project, being carried out by the official government labor exchanges, is designed to produce a "personal action plan" consisting of either a place in a job-training scheme, suggestions for additional schooling or even a job.

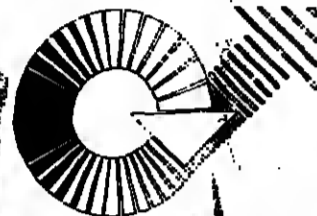
In its September budget statement, the government acknowledged that imbalances on the labor market were causing problems and hinted at the possibility of either lowering minimum wages to create more jobs for low-skilled workers or reducing the social security premiums paid by businesses, thereby making it cheaper for them to hire unskilled labor.

In October, Mr. Lubbers put forward the idea of allowing employers to pay newly hired employees 90 percent of the current minimum for the first year. The idea is that reducing wage costs will encourage business to create more jobs at the lower end of the job spectrum.

But the proposal is highly controversial. Three previous attempts by the government to alter minimum wages have failed to garner enough support in the State General, or parliament.

RONALD VAN DE KROL is a journalist based in Amsterdam.

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WEDNESDAY, NOVEMBER 2, 1988

MADISON AVENUE

If They Loved It in Peoria, It May Play in Osaka, Too

By BRUCE HOROVITZ

LOS ANGELES — It hooked up Michael Jackson with the giant Japanese phone company Nippon Telegraph & Telephone. It matched Madonna with Mitsubishi Home Electronics. And it pegged Paul Newman as a pitch man for Fuji Card, a Japanese credit card. If you don't remember any of these commercials, you may not have seen them. The spots air almost exclusively in Japan. The agency behind the ads is the tiny Los Angeles division of Dentsu, the world's largest advertising agency group, with \$6.8 billion in billings.

Dentsu does also own a huge advertising agency in the United States called HDM. But separately, and for years almost anonymously, Dentsu has maintained a separate Los Angeles research unit. Its main mission is to determine who or what in America is hot — and who or what is not.

A Dentsu unit in Los Angeles tracks who or what in the U.S. is hot — and who or what is not.

After all, the agency figures, fads that catch on in the United States are strong bets to eventually catch on in Japan. One way to do the job, of course, is to understand Hollywood. With that in mind, several employees spend most of their time simply scanning through an estimated 200 American magazines, especially entertainment industry magazines like Billboard or Premiere.

"We're not an ad agency," said Takashi Nakamura, a president of Dentsu Inc. of Los Angeles. "Our function is to export American expertise to Japan. We create concepts and we promote ideas." More than anything else, however, Dentsu's Los Angeles office — which employs just 30 people compared to the more than 5,000 employed in its Tokyo office — serves as eyes and ears in the United States for its parent company. It researches everything from America's newest trends to its hottest celebrities. It then lobbies its senior executives back in Tokyo to match America's fast-rising fads with major Japanese corporate clients.

"We throw the ball," said Mr. Nakamura, "and they catch it." The ad firm's top executives in Tokyo often demand mounds of documentation before they will buy into an American trend, said Mr. Nakamura. "I look for lots of articles to support my ideas."

MORE THAN A YEAR AGO, for example, the Los Angeles office tried to persuade executives in Tokyo to match a big corporate client with the fast-rising American singing star, Tiffany. At the time, however, Tiffany had recorded only one hit song. "That wasn't enough," said Hal Lifson, the agency's Los Angeles creative director. "They said that she had to become a star."

Since then, however, Tiffany has recorded several hit songs. And she has recently signed to star in a Japanese ad for Dentsu's client, the electronics division of Yamaha.

Meanwhile, Mr. Lifson is trying to convince Dentsu executives in Japan that some of America's comic book and cartoon heroes — including Batman, Archie and Gumby — could be very popular corporate symbols for some of Dentsu's Japanese clients. "They love American pop culture in Japan," he said. "And the Japanese have a much higher aesthetic appreciation for things like animation than we do. To them, it's not kid stuff."

Dentsu has had a Los Angeles office since 1961, but for more than 20 years it was primarily a place where clients went when they wanted a sightseeing tour of the Los Angeles area, said Mr. Nakamura. The office only had one employee until 1984, when the Summer Olympics in Los Angeles became a focus for advertisers worldwide. It was this office that played a role in linking Fuji with a blimp for the Olympics.

Now, the office is becoming more aggressive in helping its parent beckon U.S. companies who want to expand their corporate presence in Japan. It has, for instance, just printed a glossy brochure, boasting of its numerous marketing efforts. And the

Currency Rates

Table with columns for currency, rate, and date. Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Tokyo, Zurich, and various international rates.

Change in London, Tokyo and Zurich follows in other centers. New York closing rates. a: Commercial rates; b: To buy one dollar; c: To buy one pound; d: Units of 100; N.A.: not available.

Table with columns for currency, rate, and date. Includes entries for various international currencies like Australian dollar, Canadian dollar, Hong Kong dollar, etc.

Forward Rates Table with columns for currency, 30-day, 60-day, 90-day, 120-day, 150-day, 180-day, 210-day, 240-day, 300-day, 360-day.

Interest Rates

Table with columns for currency, rate, and date. Includes entries for various interest rates like 1-month, 3-month, 6-month, 1-year.

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Saudi Output Climbs

Peak Production At End of Month

Reuters

ABU DHABI — Saudi Arabia increased its oil output to a peak of 7 million barrels a day in the last week of October, in an effort to force OPEC to accept a new production agreement, oil industry sources said Tuesday.

Saudi output averaged 5.55 million barrels a day for all of October, up from 4.9 million barrels a day in September, they said. Saudi Arabia's daily quota, as set by the Organization of Petroleum Exporting Countries, is 4,343 million barrels.

"Saudi Arabia seems determined to apply the bitter medicine to OPEC until others agree on new output levels," said an oil industry executive, noting that a glut caused by high OPEC production hurt the kingdom the least of all the cartel's members.

The sources said Saudi Arabia was apparently flooding the market in advance of a meeting of oil ministers from the 13 OPEC countries in Vienna from Nov. 21, which is being held to consider a new pact on output and prices.

Oil prices fell Tuesday in New York. North Sea Brent slipped to \$12.24 a barrel from \$12.56 on Monday, while West Texas Intermediate, the benchmark U.S. grade, eased to \$13.43 from \$13.78 for December delivery.

The current OPEC output of more than 21 million barrels a day is at least 2 million barrels higher than the demand for OPEC oil, the industry sources said. The main obstacle to a new production pact is Iran's opposition to demands by Iraq to be allocated an equal quota.

Some executives cautioned that, even if OPEC agreed in Vienna to cut output, Saudi Arabia might find it hard to slow production.

The sources said a steep rise in Saudi exports was the main reason behind the jump in daily output to 7 million barrels in the final week of October, from 5.3 million the previous week.

They said the kingdom's tanker chartering company, Vela, had hired about a dozen super tankers to load crude oil in November.



Cap Gemini Seeks to Circle Globe

French Computer Consulting Firm Pursues Expansion

By Jacques Neher

Special to the Herald Tribune

PARIS — Cap Gemini Sogit, the biggest computer-software services company in Europe, is mounting an expansion drive in hopes of becoming one of the largest such companies in the world.

The concern, which specializes in software and computer systems consulting for medium and large-sized companies, is shopping for acquisitions in the United States. Earlier this year, it took a minority stake in a major British competitor, Sema Group PLC, and has reportedly been buying more stock in Sema Group recently.

To help fund the expansion drive, Cap Gemini plans to issue new shares this autumn to raise up to 600 million francs (\$98.4 million), it announced in September.

"We're in a business where growth is absolutely mandatory," said Michel Berty, corporate secretary. "Like in riding a bike, we have to keep moving or else we'll fall down."

The pressure for growth, he said, comes from the economics of the computer consultancy business.

Cap Gemini, the French computer-software services company, developed the first system to aid automaker Renault in repairing automatic transmission systems. The executive chairman Serge Kampf, right, is presiding during a period of aggressive expansion.



Key U.S. Index Slipped 0.1% In September

The Associated Press

WASHINGTON — The government said Tuesday that its main forecasting gauge of future economic activity edged down 0.1 percent in September, its second decline in the last three months reported.

The index of leading indicators rose 0.5 percent in August and 1.5 percent in June, but fell 0.7 percent in July.

Economists believe this roller-coaster performance is a signal that the economy, which was expanding at a robust pace in the first six months of 1988, is slowing.

Overall economic growth as measured by the gross national product dropped to an annual rate of 2.2 percent from July through September. Many analysts believe that this modest pace will continue in the current quarter and for most of next year.

David Wyss, an economist with Data Resources Inc., said the leading index was signaling a slowdown, which would give the economy a breathing room and lower inflationary pressures built up by heavy demand and tight labor markets.

"We are seeing a pretty sluggish leading indicator and that is consistent with where the economy is going," he said. "We are looking for an economy that is slowing but not stopping."

He predicted that GNP would grow 2.3 percent for 1989. GNP is the total value of a nation's output of goods and services.

In a second report released Tuesday, the Commerce Department said that construction spending rose 0.6 percent in September, to an annual rate of \$403.4 billion, as strength in housing and government construction offset a decline in office building.

The 0.1 percent decline in the leading index was a bit weaker than expected. Many private forecasters were calling for a 0.2 percent rise. The August index, however, was revised upward to show a 0.5 percent gain, instead of the originally reported 0.4 percent increase.

The index, by focusing on forward-looking business statistics, is designed to give some hints of economic activity six to nine months into the future.

Many economists, who had at one time been fearful that the next U.S. president would face a recession in his first year in office, have revised that view and now believe the next downturn will not come until 1990.

But the leading index is signaling slower growth. For the past 12 months, it has risen just 0.7 percent, compared to an increase of 6.7 percent in the previous 12 months.

For September, the biggest factor holding the index back was a drop in plant and equipment orders, followed by a fall in building permits. Other factors depressing the index were a decline in raw materials prices and slower growth in the money supply. Falling prices are viewed negatively as a sign of lower demand.

Five of the available nine indicators made positive contributions to the index. The biggest positive force came from an increase in the average workweek. Other positive factors were a fall in initial unemployment claims, a rise in stock prices, a slowdown in filing orders and a rise in orders for consumer goods.

Michael Evans, head of a Washington forecasting firm, said he is predicting GNP growth of just 2 percent next year, reflecting a slowdown of the export boom that accounted for half of this year's growth.

"The export boom is clearly gone, capital spending has tailed off and consumers haven't been too eager to spend either," said Mr. Evans. "That is basically the whole economy."

But Beryl Sprinkel, the chief presidential economic adviser, said in a speech last week that there was no reason for a recession to occur soon.

"Recessions don't just happen," he said. "They are caused by policy mistakes."

If a recession does occur next year, many analysts are fearful that it will be triggered by the Federal Reserve Board pushing interest rates too high.

Ruling Aids Raleses Bid For Interco

The Associated Press

NEW YORK — The Rales brothers won a major victory Tuesday in their hostile, \$2.7 billion bid for Interco Inc. with a court-issued preliminary injunction blocking the furniture and apparel company's poison-pill defense.

The ruling in Delaware Chancery Court should allow the Washington-based Rales brothers to proceed with their \$74-a-share tender offer.

Neither the Rales brothers nor Interco could be reached immediately for comment. Cindy Carpenter, a spokeswoman for Steven M. Rales and Mitchell P. Rales, said that unless Interco appeals the ruling, it appears that the brothers can begin purchasing shares under the offer.

In active trading on the New York Stock Exchange, Interco jumped \$4 to \$71.75 a share.

Ms. Carpenter said the court reserved judgment on whether Interco could issue a special dividend. The St. Louis-based company in September countered the brothers' offer with a multibillion-dollar defensive restructuring that includes paying a special \$25-a-share dividend to shareholders.

The Raleses own 8.7 percent of Interco's stock. Their latest offer, made through Cardinal Acquisition Corp., is subject to 75 percent participation among Interco's 36.2 million shares outstanding, as well as the withdrawal of the poison-pill shareholder rights plan.

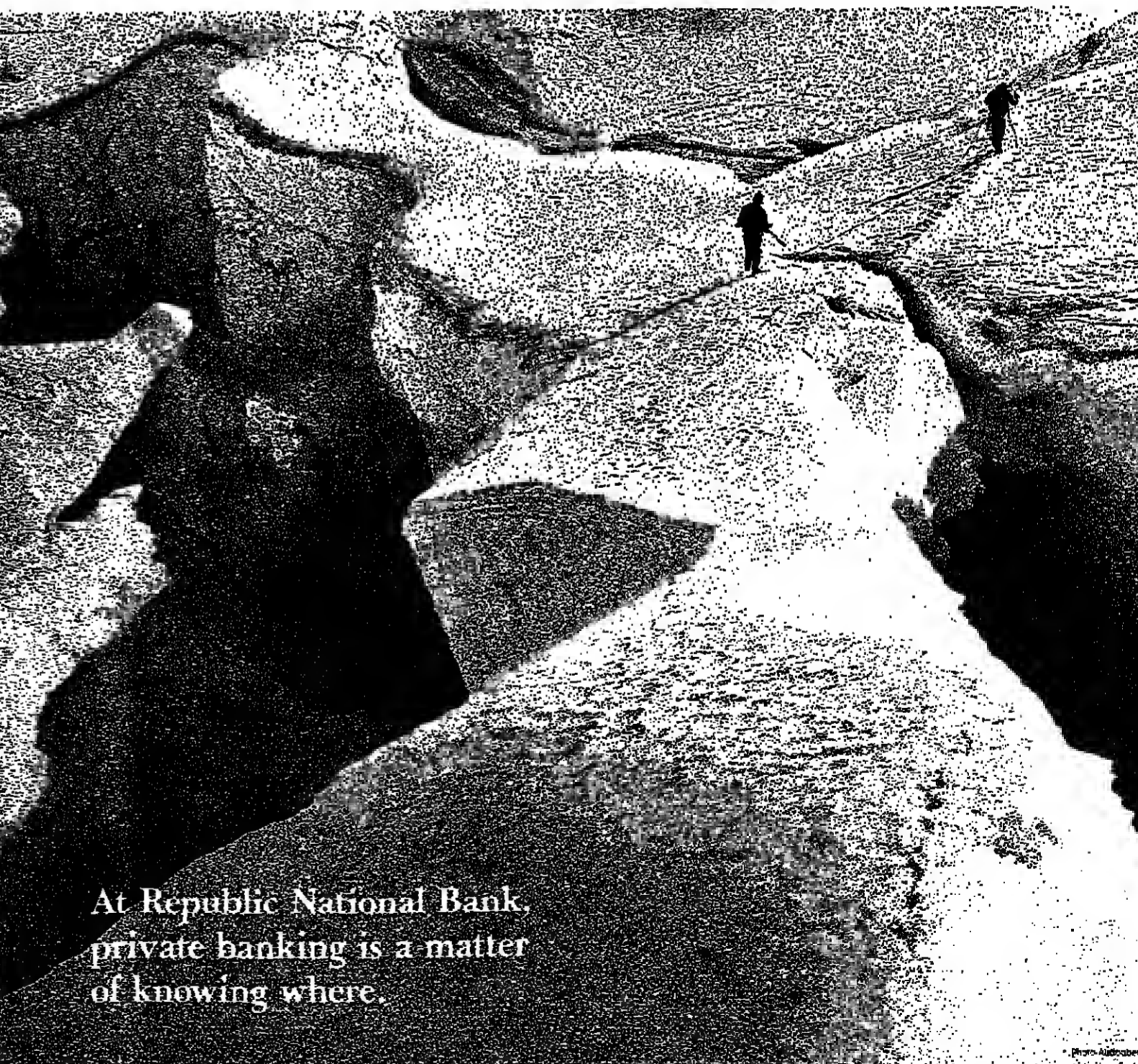
Earlier Tuesday, Cardinal announced that more than 24 million Interco shares had been tendered. Those shares, coupled with the Raleses' previous holdings, represent 77 percent of the company's outstanding stock. The offer was due to expire at midnight Tuesday.

Cardinal, which opened the bidding for Interco at \$64 a share last July, increased its hostile offer from \$70 a share to \$74 two weeks ago.

Ms. Carpenter said the fact that the Federal Trade Commission subpoenaed the brothers last week should have no effect on the tender offer. The partnership disclosed last Thursday that it had been subpoenaed in connection with an investigation of possible antitrust violations.

The Delaware ruling came after Interco succeeded in temporarily halting Interco's tender offer. In arguing to block the bid, Interco alleged that Cardinal failed to divulge that Drexel Burnham Lambert Inc., the investment firm, is a co-bidder in the takeover attempt.

Interco manufactures men's and women's clothing, footwear, furniture and home furnishings.



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حسابان الجاهل

Tuesdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect local variations.

Table listing various stocks and their closing prices, including columns for stock name, price, and change.

Table listing various stocks and their closing prices, including columns for stock name, price, and change.

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U.S. Futures Via The Associated Press

Table listing various futures contracts and their prices, including sections for Grains, Livestock, and Metals.

Food

Table listing various food commodities and their prices, including sections for Coffee, Sugar, and Cocoa.

EURODOLLARS (IMM)

Table listing various Eurodollar rates and their prices, including sections for British Pound, Canadian Dollar, and Japanese Yen.

Table listing various stocks and their closing prices, including columns for stock name, price, and change.

Table listing various stocks and their closing prices, including columns for stock name, price, and change.

Table listing various stocks and their closing prices, including columns for stock name, price, and change.

Currency Options

Table listing various currency options and their prices, including sections for Philadelphia Exchange and 10 Yr Treasury CBOT.

Financial

Table listing various financial instruments and their prices, including sections for US T-Bills, 10 Yr Treasury CBOT, and Municipal Bonds.

Stock Indexes

Table listing various stock indexes and their prices, including sections for SP COMP, NYSE COMP, and Value Line.

NYSE High-Lows

Table listing various stocks and their high and low prices on the NYSE.

AMEX High-Lows

Table listing various stocks and their high and low prices on the AMEX.

Company Results

Table listing various companies and their financial results, including revenue and profits.

London Metals

Table listing various London metal prices and their prices.

London Commodities

Table listing various London commodity prices and their prices.

Spot Commodities

Table listing various spot commodity prices and their prices.

Dividends

Table listing various companies and their dividend payments.

DM Futures Options

Table listing various DM futures options and their prices.

U.S. Treasuries

Table listing various U.S. Treasury securities and their prices.

S&P 100 Index Options

Table listing various S&P 100 index options and their prices.

Bank of China Joins Syndicate For Soviet Loan

Bank of China Joins Syndicate For Soviet Loan. LONDON — Bank of China is making its first foray into international bank lending to the Soviet Union, it disclosed Tuesday.

coming on stream in province of Guangdong...

acknowledged the identity fatigue had now more difficult for...

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BUSINESS ROUNDUP

Commerzbank Buys Bank Stake in Brazil

By Ferdinand Protzman

FRANKFURT — Commerzbank AG said Tuesday it has acquired a 10 percent stake in Unibanco, Brazil's third-largest banking group, for 130 million Deutsche marks (\$73.5 million).

The move is designed to strengthen the presence of West Germany's third-largest commercial bank in South America.

Commerzbank acquired the stake by lifting its holding in Banco de Investimento do Brasil SA, a Unibanco subsidiary, to 19.4 percent from 5 percent.

In addition, Commerzbank acquired small holdings in Investimento do Brasil from Credit Suisse of Switzerland and two U.S. banks, Harris Bank Corp. and Philadelphia International Investment Corp.

"In the next few months the various banks which form the Unibanco group will be merged into one bank," said Peter Fietisch, a spokesman for Commerzbank.

"We will have a 10 percent stake in the new Unibanco via the holding in Investimento do Brasil, which specializes in long-term financing."

Mr. Fietisch said the merger has already been approved by Brazilian financial authorities and will follow "fairly automatically" in the next few months.

Dai-ichi Kangyo Bank of Japan holds 12 percent of Unibanco. Commerzbank made the acquisition to strengthen its presence in Brazil and to provide better customer service, Mr. Fietisch said.

In a statement, Commerzbank said the acquisition was a sign of confidence in the Brazilian economy and pointed out that Brazil ranks fourth behind the United States, France and the Netherlands

in direct West German foreign investment.

In the first half of 1988, Commerzbank's partial group operating earnings fell 5.6 percent to 519 million DM from 531 million DM a year earlier.

West German banks' partial operating earnings include interest and fee earnings, less spending on plant and equipment. The banks traditionally do not release full operating earnings, which include results from trading on their own account.

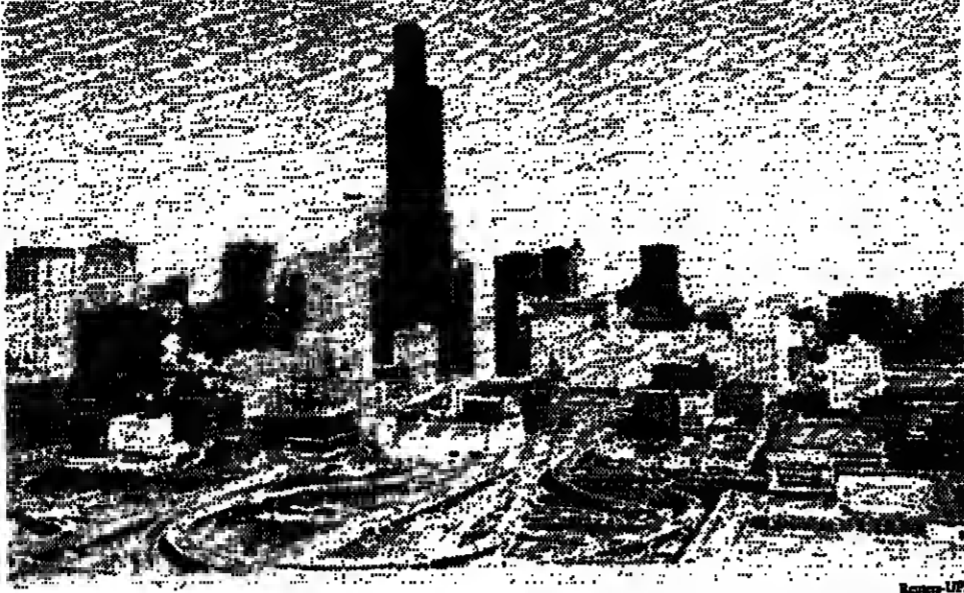
Banking analysts said the move gives Dresdner Bank ample room for expansion; market rumors persist that it is planning a joint life insurance venture with Allianz AG, West Germany's largest insurer.

Both Dresdner and Allianz have consistently denied the rumors. Although Dresdner Bank acquired a 30 percent stake in BNP-Paribas AS of Istanbul in August, Deutsche Bank and Commerzbank have been more active internationally.

Under the managing board chairman, Walter Seipp, Commerzbank has concentrated on building up its investment banking business worldwide, expanding its operations in New York, Tokyo and London.

The bank is still hoping to expand its holding in Credit Lyonnais of France to bolster its European operations.

Deutsche Bank has followed a similar strategy and has also begun to build its profile in smaller markets, such as Australia, where it purchased in September a 50 percent stake in Bant & Co., a Sydney-based brokerage and financial services group.



The Sears Tower in Chicago: World's tallest building may be world's biggest real estate transaction.

Sears Tower Could Fetch \$1 Billion

Sale Will Be Biggest-Ever Real Estate Deal, Agents Say

By Eric N. Berg

CHICAGO — The sale of the 110-story Sears Tower, the world's tallest building and an emblem of the Chicago skyline, will bring more than \$1 billion, the highest price ever for a single building, real estate professionals have predicted.

These experts said the most likely buyer would be a major U.S. developer who has the financial backing of a consortium of institutional investors, possibly including insurance companies, pension funds, university endowments, and foreign institutions.

The real estate professionals said, however, the planned sale, announced Monday by Sears, Roebuck & Co., was expected to test the marketing prowess of the three concerns assigned to sell the tower in a worldwide auction: Goldman, Sachs & Co., Dean Witter Reynolds, and Coldwell Banker.

One difficulty in lining up buyers may be that only 600 top executives of Sears will remain in the tower, while 8,000 of its manufacturing employees will be moved to another location.

A sleek, black building that offers views on a clear day as far as Michigan, Indiana, and Wisconsin, the tower has almost the same amount of rentable space as one of the twin towers of the World Trade Center in New York, which are about 1,350 feet high.

Real estate experts estimated on Monday that Sears would receive \$250 to \$300 a rentable square foot,

figures that would translate into a total purchase price of \$925 million to \$1.1 billion.

Having spent an estimated \$100 a square foot, or about \$400 million to complete the tower in 1983, Sears would profit handsomely.

"The capital gain will be enormous," said Neil T. Teplica, a senior associate at Jones Lang Wootton, an international real estate advisory firm.

Among the developers mentioned on Monday as being capable of leading a bid for the tower were Tishman-Speyer Properties, of New York, Trammell Crow Co., of Dallas, Gerald D. Hines Interests, of Houston, and JMB Realty Corp., of Chicago.

Although no one has been asked yet to bid on the tower, JMB was mentioned as an especially likely candidate because of its intimate knowledge of the Chicago market and its track record in successfully investing institutional money in real estate.

But raising financing could be difficult because the Chicago market is currently overbuilt.

In the downtown area where the Sears Tower stands, known as the Loop, there is already a 15 percent vacancy rate. About 16 million square feet of a total 105 million square feet of new space is expected to become available in the Loop during the next two years, space that the vacant offices in the Sears Tower will have to compete with.

Sears executives said they chose to relocate 8,000 employees in the merchandise group rather than face the big increase in rent that a buyer of the Tower would likely demand.

Like most other major building sales, the disposition of the Sears Tower will be done on a global basis. Before the sale, a selling document will be assembled detailing the income stream from the tower and the costs of running it.

It is believed that the selling document will be distributed to interested buyers by Goldman, Sachs and Coldwell Banker. Dean Witter is expected to work with Goldman to assemble institutional financing or possibly to arrange for bonds to be sold to the public that would be backed by rents from the tower.

In any case, it is expected that the agents will keep the selling document confidential, releasing it only to a handful of investors around the world who have the demonstrated financial muscle to pay \$1 billion for the tower.

GEMINI: Computer Consultancy Extends Its Reach

(Continued from first finance page)

increase in its workforce to 50,000 people. He called the numbers "a little staggering."

"The perspectives of the group are excellent," said Bruno Renard of the Paris brokerage Cheuvreux, Vriens SA, in a recent report. "Cap Gemini is the European leader in markets that are expected to grow at an annual rate of around 20 percent over the next five years."

Mr. Renard recently increased his estimate of Cap Gemini earnings, predicting a 47 percent gain this year to 390 million francs and a further increase of 30 percent in 1989 to 510 million francs.

Shares in Cap Gemini, quoted at 2,350 francs at the Friday close in Paris, are currently above the level they held at the time of the collapse in global equities last October, giving the company a market capitalization of 10.06 billion francs. The stock price, which has more than doubled from its low early this year of 1,121 francs, is currently priced at a lofty 27 times projected 1988 earnings.

Cap Gemini hopes to increase its business and status in the United States by tapping competitors. If the company is going to include Fortune 500 companies among its clients, Mr. Berty said, "it's fundamental not to have to explain who you are."

The American software services industry is fragmented, with large chunks controlled by units of the so-called Big Eight accounting firms, such as Arthur Andersen & Co.

At this point, most of the business generated by Cap Gemini in America, the New York-based subsidiary, comes from medium-sized businesses, though the company recently captured a contract with Coca-Cola Co. The U.S. unit employs more than 2,000 people and last year reported \$134 million in revenue.

Mr. Berty said Cap Gemini is aiming for acquisitions that will help it generate \$1 billion per year in the United States within the next five to ten years.

"We're talking to everybody, but we haven't reached anything concrete yet," he said.

Cap Gemini was formed from an amalgamation of companies built on Sogefi SA, a consulting company started by Mr. Kamp in 1967 and merged with Cap-France in 1974. Sogefi, still controlled by Mr. Kamp, owns 52 percent of Cap Gemini.

Another major stockholder is Compagnie Generale d'Industrie et de Participations, a French investment company, which has a 12 percent share in Cap Gemini and a 33.5 percent stake in Sogefi.

Analysts say CGIP is an interested shareholder, since Cap Gemini represents its single biggest investment in the software services business.

Anderson Sues Saatchi Over Consulting

The Associated Press

NEW YORK — Arthur Andersen & Co. has sued Saatchi & Saatchi P.L.C., accusing the advertising concern of trying to force Andersen to sell part of its management information consulting business.

The suit follows the departure last month of four top consulting partners from Andersen, a giant accounting concern, for a new consulting venture backed by Saatchi.

In the suit filed Monday in a New York court, Andersen accused Saatchi and several former Andersen executives of raiding Andersen personnel, interfering with Andersen clients and misappropriating Andersen's proprietary technology and trade secrets.

Also named in the suit are Information Consulting Group Inc., formed in October by Victor E. Miller, a former Andersen executive, and Gresham T. Brebach, who headed Andersen's U.S. management consulting practice.

It's very conceivable we'll see a move this fall or perhaps within the next 12 months," said Suzanne Hardy, analyst with DKL/James Capel, a Paris broker. "It would be with Paribas' ambitions."

Mr. Berty acknowledges the Sogefi group would give Cap Gemini access to the British market, which it has so far been unable to penetrate on its own. But he ruled out any hostile moves, which he said could alienate Sogefi management and ultimately ruin such an acquisition.

"In this kind of business, we definitely need the approval of management" in an acquisition, he said. He explained that Cap Gemini's investment in Sogefi Group will give it "a foot in the door."

"In the future, both parties see an advantage in merging," he said. "There will be no reason why it couldn't be done. If not, we can sell the stock back and we will have made a good investment."

However, analysts say Cap Gemini's public stance may be a smoke-screen to hide its more hostile intentions.

Cap Gemini claims it was acting defensively in buying the Cap Group shares, protecting the company from potential American predators, such as Electronic Data Systems, the General Motors software services subsidiary. "A company like EDS wanting to have a foot in Europe couldn't easily have come in," Mr. Berty said. "The only way to do it is to buy."

There is evidence that Cap Gemini already is trying to make a move in the British market. Last April, it stirred the European computer services industry after it snatched up 29.6 percent of Cap Group, a British software services company that had split away from a former com-

pany of Mr. Kamp in 1975. Only days earlier, Cap Group had announced it would merge with Sema, a major Cap Gemini competitor in France, to form a company called Sema Group, with projected 1988 revenues of 3 billion francs.

The merger effectively diluted Cap Gemini's stake to 13.6 percent but London brokers say the company is buying shares again and now holds around 20 percent of Sema Group. They believe it will continue to buy shares and ultimately launch a takeover bid when its holding passes 25 percent, as is required by British law.

In addition, last May, Cap Gemini and Volmac, the largest software services concern in the Netherlands, agreed to a 50 percent cross-shareholding arrangement. Volmac earlier had also quietly taken a 3.6 percent interest in Cap Gemini.

Paribas, the French merchant bank, has 26.4 percent of Sema Group, and analysts suggest that Paribas wanted to join forces with Cap Gemini and Volmac, they would have little problem taking over Sema Group.

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INTERNATIONAL BUSINESS MESSAGE CENTER

Grid of 12 small business opportunity advertisements including categories like 'ATTENTION EXECUTIVES', 'BUSINESS OPPORTUNITIES', 'FINANCIAL INVESTMENTS', and 'OFFSHORE & UK LTD COMPANIES'.

Advertisement for 'Would you like to buy a company in Italy?' featuring Gruppo Intermediazioni Aziendali, an intermediary group with a large portfolio of companies for sale throughout Italy.

Advertisement for 'COMMERCIAL/INDUSTRIAL REAL ESTATE' featuring Drake and New York, listing various properties for sale or lease.

Advertisement for 'ELECTRICAL CONTRACTOR & SERVICE CONTRACTOR' and 'MERRILL LYNCH REALTY', offering professional services.

Advertisement for 'BODYGUARDS' and 'CAPITAL WANTED', offering security services and investment opportunities.

Advertisement for 'WE'VE GOT WHAT YOU NEED IN GENEVA' and 'UNIQUE OPPORTUNITY', offering business services and investment options.

Advertisement for 'FOR SALE MONTREAL, CANADA' and 'RENTALS', listing real estate and rental services.

Advertisement for 'DISTRIBUTORS WANTED' and 'FAX PLUS?', offering distribution services and communication solutions.

Advertisement for 'HARD TO BORROW?' and 'WORLD MARKETS IN REVIEW', offering financial services and market analysis.

Handwritten Arabic text at the bottom of the page: 'صكيات الاصل'

Italian Concern Acquires Big Stake in Super Channel

London — An Italian concern has acquired 53 percent of the Super Channel satellite television system from British commercial stations, Super Channel said Tuesday.

The agreement makes Betatelevision SPA of Italy and Virgin Group PLC, a British concern based in the UK, a British concern in the UK. A British concern based in the UK, a British concern based in the UK.

Virgin holds 45 percent of Super Channel, a British-based entertainment station based to almost 14 million subscribers in 15 countries.

A spokesman for Super Channel said Britain's regional commercial television companies had agreed to sell most of their stake to a Betatelevision subsidiary, Videomusic, a 24-hour music station in Lucca, Italy.

The development bank National Finanziaria, known as Nafinsa, said it accepted the offer for its 34 percent holding in the copper mining company Mexicana del Cobre and its 100 percent holding in an affiliate, Mexicana de Acido Sulforico.

The buyers are the mining concern Fomento Industrial del Norte de Mexico SA and the National Miners Union, who presented a joint bid, Nafinsa said.

The sale is the largest yet in the government's program to divest itself of companies not considered vital to national interests.

Under the deal, the mining concern will be bought with the purchase of \$1.36 billion worth of restructured Mexican public debt paper. Nafinsa did not mention discount rates.

The statement said the deal would mean a significant reduction in Mexico's \$100 billion foreign debt. Through the deal, Mexico is continuing a trend toward debt-to-equity swaps chosen by other heavily indebted nations.

The deal appears similar to one struck last April for the sale of Mexico's largest copper mining concern, Compania Minera Cananea, for \$910 million in debt paper with the industrial conglomerate Grupo Prot Exa SA. That deal collapsed when the buyers had difficulty financing the purchase, but Nafinsa has since reopened the Cananea sale and said it will announce its bid choice by Nov. 7.

Looking for a High-Tech Christmas Present for Grandma? Consider the Videophone

Boston — Consumers who want the latest in high-tech gadgetry will finally be able to have a videophone under their tree this holiday season.

Three Japanese companies — Mitsubishi Electric Corp., Panasonic Co., a unit of Matsushita Electric Industrial Co., and Sony Corp. — have recently introduced telephones that can send and receive black and white, still images every five to seven seconds over standard telephone lines.

Mitsubishi was the first company to come out with a videophone in the United States, introducing the Visistat at a cost of \$399 last January.

Timothy Beck, national sales manager for Mitsubishi's visual telecommunication products, said that about 30,000 units have been sold so far and that the company is planning an aggressive Christmas promotion.

"We expect to sell 200,000 to 300,000 units over the next few years," Mr. Beck projected. He said the product is doing best with older people, usually grandparents, and with middle-aged adults who buy them for their parents.

Sony will not project sales of its \$399 videophone, which it started shipping in October. Panasonic said it expects to sell about 7,000 units of the WQ-R2, which costs \$449.95 and the KX-T10, costing \$469.95, in the fourth quarter.

Analysts, however, say it will be seven to 10 years before videophones become as common as videocassette recorders. "There really isn't a consumer market now," said Casey Dworkin, general manager of Personal Technology Research, a market research concern. "That's not to say there won't be a big market some day, but it's a long way off."

He expects the three Japanese companies to sell about 45,000 units this year and 70,000 in 1989.

Analysts said that consumers will flock to buy videophones only when the price is under \$200, which makes work is unlikely over the next 12 to 18 months.

Mr. Beck said it is "very difficult to get the price down because the components, especially the camera, are so expensive."

But even more important than low price, say analysts, is transmission that provides color, moving images simultaneously with voice, a capability that telephone lines cannot currently handle.

In an interview, John C. Martin, Jr., president of the agency, said that agencies should be willing to take 20 percent less than conventional fees.

"But if I beat a predetermined benchmark," he said, "the advertiser should be willing to give me twice the 20 percent that I gave up."

The company creates ads for such companies as Ralston Purina and the Meridien hotel chain.

Should advertisers pay for results? Right now, most businesses pay the same amount for advertising whether it succeeds or fails.

Ad agency executives traditionally have said that they should be paid a flat 15 percent of total advertising billings. But one New York ad agency suggests a sliding scale, based on results.

ADVERTISING (Continued from first finance page) brochure states that the company is avidly seeking clients that want "the fastest return to Japan."

Competitors, meanwhile, are watching with keen interest. "You can never underestimate Dentsu," said Kent Cooper, director of public relations for the Los Angeles office of Hakuhodo Advertising, whose parent ranks as Japan's second largest ad firm.

The signals are all there that Dentsu may be changing its U.S. advertising strategy, and it may soon become a major player in the market.

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Mexico Privatizing Mines by Debt Swaps

MEXICO CITY — The Mexican government has agreed to sell its interests in two mining concerns for \$1.36 billion in Mexican debt paper, thereby cutting its large foreign debt, the state development bank said Monday.

The development bank National Finanziaria, known as Nafinsa, said it accepted the offer for its 34 percent holding in the copper mining company Mexicana del Cobre and its 100 percent holding in an affiliate, Mexicana de Acido Sulforico.

The buyers are the mining concern Fomento Industrial del Norte de Mexico SA and the National Miners Union, who presented a joint bid, Nafinsa said.

The sale is the largest yet in the government's program to divest itself of companies not considered vital to national interests.

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ADS: Firm Scouts Hot U.S. Talent for Japanese Clients

(Continued from first finance page) brochure states that the company is avidly seeking clients that want "the fastest return to Japan."

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Oct 31, 1988

Table with multiple columns listing various international funds, their abbreviations, and their values as of October 31, 1988. Includes funds like ALM GROUP, INTERREX GROUP, and various regional and global equity funds.

Advertisement for International Management magazine. Features a cover image of a man in a suit and the headline 'EUROPE'S BUSINESS MAGAZINE'. Text describes the magazine as a bold prescription for Europe, offering insights into the European market and business opportunities.

Advertisement for International Classified, featuring a grid of escort services. Lists various agencies and their contact information, including Regency U.K., Vienna, Zurich, and others. Includes a 'Continued from Back Page' note.

Continuation of the International Funds table from the previous page, listing numerous fund names, their abbreviations, and their values as of October 31, 1988. The table is organized in columns and includes a variety of investment options.

Tuesday's AMEX Closing

Table with columns: High, Low, Stock, Div, Yld, PE, High, Low, High, Low, High, Low, High, Low. Lists various stock prices and market data.

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A luxurious, useful gift for executives on the move. The desk diary that picks up and goes with you

Half your life's story—or even more—is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

Form for ordering the desk diary, including fields for name, address, city/code/country, and payment options.

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, issuer, coupon rate, bid, and asked prices.

Deutsche Marks

Table listing Deutsche Marks with columns for issuer, coupon rate, bid, and asked prices.

Pounds Sterling

Table listing Pounds Sterling with columns for issuer, coupon rate, bid, and asked prices.

Japanese Yen

Table listing Japanese Yen with columns for issuer, coupon rate, bid, and asked prices.

THE EUROMARKETS

will be featured in a special financial report, prepared by the editors of the International Herald Tribune. It will appear on Monday November 21st. Don't miss this important issue.

دنيا من الأصل

CURRENCY MARKETS

Dollar Slips Against Yen Despite Buying by Fed

NEW YORK — The dollar ended lower against the yen Tuesday, as speculators ignored attempts by the Federal Reserve Board to stem the dollar's fall against the Japanese currency, dealers said.

London Dollar Rates table with columns for Currency, Bid, Ask, and other market data.

The Fed's efforts were concentrated in holding the dollar above the key 125 yen support level. The dollar ended at 125.25 yen, compared with 125.675 Monday, but slipped for a time below the support level.

A dealer with a British bank said, "the market's nervous with a week to go to the election. It'll stay in a range of 1.7750 to 1.7950 Deutsche marks until then. It goes through 1.7800, we'll see the central banks come in."

U.S. officials experienced in dealing with Japan said Mr. Kuroda was the highest-ranking Japanese trade official to go to work for an American company after leaving the government.

Former Japanese Official Aids Salomon

By Stuart Auerbach Washington Post Service WASHINGTON — One of the toughest and most outspoken trade negotiators in Japan has become an adviser in Tokyo for Salomon Brothers, the Wall Street investment house.



Makoto Kuroda

Mr. Kuroda, who was in Washington this week to participate in a conference on free trade agreements at the Institute for International Economics, said he would advise Salomon Brothers on "whatever they ask."

LAWSON: Britain Booming

(Continued from page 1) The current fiscal year ending March 1989, or more than two percent of gross domestic product. In March, he had put the figure at £3 billion, or 0.75 percent of GDP.

Soviet Minister Puts Inflation At Up to 1.5%

MOSCOW — A senior Soviet official said Tuesday that the country's inflation rate was between 0.9 percent and 1.5 percent, contradicting reports by Western and Soviet analysts that the rate is really as high as 5 percent or 6 percent.

Slide in Canadian Dollar Resumes As Rally Falts

OTTAWA — A modest rally Tuesday in the beleaguered Canadian dollar quickly faded after yet another poll was released showing that support for the Liberal Party was on the rise across the country, currency analysts said.

Japanese See Limited Appeal in Rally of Treasury Notes

TOKYO — Japanese institutional investors played only a small part in the weeklong rally in U.S. Treasury bonds and are focusing on factors that could continue to keep them out of the market, bond managers and economists said Tuesday.

Chrysler to Halt Two Car Models

HIGHLAND PARK, Michigan — Chrysler Corp. will discontinue two slow-selling car models in March, an executive confirmed Tuesday.

Tuesday's OTC Prices NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded over-the-counter stocks.

Table of OTC stock prices with columns for stock name, bid, ask, and other market data.

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BOOKS

MAN RAY: American Artist

By Neil Baldwin. 449 pages. \$25. Clarkson N. Potter Inc. 225 Park Avenue South, New York, N.Y. 10003

Reviewed by Michiko Kakutani

READERS who have followed the Dada and Surrealist movements are undoubtedly familiar with many of Man Ray's bizarre creations: a ticking metronome adorned with a photograph of a woman's eye ("Perpetual Motif"); an ordinary household iron sprouting a row of tacks on its underside ("Cadeau"); a picture of a woman crying tears of glass ("Larmes"); a painting of a huge pair of lips floating like an otherworldly spaceship, over the spires of Paris ("A l'heure de l'observatoire"); a photograph of a woman's torso, inconspicuously made to resemble a violin ("Le Violon d'Ingres").

Because his work was so eclectic, because he moved so restlessly from one medium to another (from painting to film to photography to "object making"), because he hovered around the edges of so many different avant-garde circles in the United States and France, Man Ray has always been a somewhat elusive figure. To some, he was a minor-league Duchamp, eclipsed by his friend's flamboyant talent. To some, he was primarily a photographer who documented the lives of his fellow artists and writers. And to others, he was a catalyst of ideas, a talented provocateur, capable of oiling the gears of the avant-garde.

"If Man Ray's art was suspect, it was because it defied easy categorization," writes the scholar Merry Forester in a new exhibition catalogue, "Perpetual Motif: The Art of Man Ray." "The artist's elusive personality—American or European? artist or commercial photographer? loner or celebrity?—and his resistance to working in any one style or any one medium all contributed to the puzzle Man Ray presented to his critical audience."

Unfortunately, "Man Ray: American Artist," Neil Baldwin's new biography, will do little to solve that puzzle. Though this earnestly written volume gives us a nice guided tour through Man Ray's world, it fails to sum up or re-evaluate the artist's overall achievement, and it similarly fails to give us a satisfying portrait of this enigmatic man.

No doubt Man Ray would have wanted it this way. Irony and a willful playfulness were the two constants in his work, and a stream-of-consciousness memoir, published in 1963, was similarly intended "to be ambiguous for the average reader."

Information about Man Ray's childhood and formative years was exceptionally difficult to obtain, Baldwin writes, "because Man Ray did not want people to know about his youth. He did not want his family in America to grant interviews about his past. The special tension of Man Ray's early life emerges like a photographic print slowly developing in the tray."

When it comes to the artist's conflicted relationships with a succession of headstrong women, Baldwin is somewhat more illuminating: He shows us how the artist could get even with a wayward lover by "breaking her up"—that is, by fragmenting her body with the camera or the paintbrush; and he shows us how images of "supplanted women" recurred throughout his oeuvre.

Where Baldwin is probably most eloquent is in describing the assorted artistic worlds that Man Ray inhabited and in delineating his debt to each. We are shown the circle that gathered around Alfred Stieglitz and his 291 gallery in New York, the celebrated Arsenberg salon that met on the city's Upper West Side (which included Francis Picabia, Edward Vasey, Joseph Stella, Charles Demuth, William Carlos Williams and Wallace Stevens); the Dadaist movement presided over by Marcel Duchamp and Tristan Tzara in Paris, and the Surrealist school as it emerged under the guidance of André Breton.

Baldwin succinctly sketches in Man Ray's relationship to those last two movements as well as the influence that Cubism and Futurism exerted on his earlier work. Yet, as he points out, Man Ray consistently remained "an outsider to the avant-garde" and in this sense he remained a perpetual outsider. It is another reason, perhaps, that he has remained such an enigma.

Michiko Kakutani is on the staff of The New York Times.

BEST SELLERS

The New York Times. This list is based on reports from more than 2,000 bookstores throughout the United States. Works on list are not necessarily consecutive.

Table with columns: Title, Author, Last Week, This Week. Includes titles like 'The Queen of the Damned' and 'The Shell Seekers'.

Table with columns: Title, Author, Last Week, This Week. Includes titles like 'A Brief History of Time' and 'The Ragman's Son'.

Table with columns: Title, Author, Last Week, This Week. Includes titles like 'The 8-Week Cholesterol Cure' and 'Swim With the Sharks Without Being Eaten Alive'.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Nov. 1

Table of stock market data for various countries including Amsterdam, Bangkok, Bombay, Calcutta, Ceylon, etc.

Market Closed

The stock market was closed in Sao Paulo on Monday and in Brussels, Paris, Madrid, and Milan on Tuesday for a holiday.

London

Table of stock market data for London, including titles like 'The Queen of the Damned'.

Stocks

Table of stock market data for various stocks, including titles like 'The Queen of the Damned'.

Stocks

Table of stock market data for various stocks, including titles like 'The Queen of the Damned'.

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Table of stock market data for various stocks, including titles like 'The Queen of the Damned'.

U.S. Group Seeks Forstmann & Co.

NEW YORK — A group led by Odyssey Partners and Tuesday Co. of Georgia, the largest manufacturer of woolen and wool-blend fabrics in the United States, in a deal valued at about \$186 million.

Odyssey, an aggressive Wall Street investment partnership, and its partners, will pay \$11.75 for each of Forstmann's 5.5 million outstanding shares and assume about \$120 million of debt. Under terms of the agreement, a tender offer is to begin promptly.

In active trading on the American Stock Exchange, Forstmann shares had jumped \$1.25 a share to \$11.125 at midday Tuesday. The partnership made the bid in conjunction with James Ammen, a private investor who was described in a news release as having extensive experience in the textile and apparel industries. He will become chief executive officer of the company.

The agreement followed talks between an Australia-based group, General Investments, and Forstmann SA of France, about a possible joint offer for Forstmann. General Investments holds about 24 percent of Forstmann's stock, as disclosed in a filing with the U.S. Securities and Exchange Commission in October.

Robert Christian, vice president of human resources for Forstmann, said of the Odyssey move, "It's not a hostile deal. That's all we know right now."

Based in Dublin, Georgia, Forstmann is the second-largest domestic manufacturer of worsted and worsted-blend fabrics.

Large table of stock market data for various international markets, including titles like 'The Queen of the Damned'.

Crossword puzzle grid with clues for Across and Down.

Weather forecast for Europe, Asia, North America, Africa, Latin America, and Oceania.

Dennis the Menace comic strip panels.

Jumble word puzzle and other puzzles.

Peanuts comic strip panels.

Blondie comic strip panels.

Beetle Bailey comic strip panels.

Doonesbury comic strip panels.

Down crossword puzzle clues and solutions.

Garfield comic strip panels.

Andy Capp comic strip panels.

Wizard of Id comic strip panels.

SPORTS

Who's Who for Rugby's '88-89 Season

By Bob Donahue

London — While New Zealand bestrides the sport like Gulliver peering down at Lilliput...

RUGBY'S BIG EIGHT

Last 10 tests among the eight

Table with 5 columns: Rank, Team, Win, Draw, Loss, Tries. Lists New Zealand, France, Wales, England, Argentina, Scotland, Australia, and Ireland.

Last test (July 30): Australia 9, New Zealand 30. Next (Nov. 5): England-Australia, France-Argentina.

England in 1984. (The Springboks won both tests, 33-15 and 35-9.) The last official Springbok tour to a major country was to New Zealand for a three-test series in 1981.

John Kirwan, the big All Black wing, has started in New Zealand's scoring spurge this year.

By a rare accident of scheduling, both of Saturday's matches resume battles waged in the Southern Hemisphere a few months ago.



The Colts' Eric Dickerson dives over Bronco defenders to score the third of four touchdowns.

Dickerson and Colts Crush Broncos

The Associated Press

INDIANAPOLIS — Eric Dickerson rushed for 159 yards to break open the tight wing...

Montana Feels the Trade Winds

The Associated Press

SANTA CLARA, California — A burgeoning quarterback controversy was blown wide open Monday when the veteran Joe Montana said that Coach Bill Walsh may be ready to trade him from the San Francisco 49ers.

Kansas Penalized By NCAA

May Not Defend Basketball Title

MISSION, Kansas — The University of Kansas was hit with a three-year probation Tuesday for recruiting violations in its basketball program and became the first NCAA basketball champion ever barred from defending its title.

The NCAA, the governing body for U.S. college sports, stopped just short of shutting down the basketball program for a season.

Home for Christmas: Graf Pulls Out of Match

The Associated Press

FRANKFURT — Steffi Graf, the winner of the Grand Slam in tennis, announced Tuesday that she was pulling out of next month's Federation Cup play in Australia...

Back then, they had lost twice to Australia, lost once to France, drawn once against Argentina...

But they struggled to share the Five Nations title with Wales last winter, looked jaded in Buenos Aires last June and now need to accelerate out of their post-World Cup doldrums.

But an English revival, first discernible last winter, seems to be gathering verve. The Wallabies have had uncommon trouble against English divisional teams in their warm-up matches.

By that time, Indianapolis led 31-0 on Dickerson's four touchdowns and the first of two field goals by Sean Bussick.

two periods. He raised his season total to 1,038 yards, tying Franco Harris and Walter Payton for the most consecutive 1,000-yard seasons.

SCOREBOARD

FOOTBALL

Table with 4 columns: Team, W, L, T, Pts. Lists NFL Standings for AFC East, AFC Central, AFC West, AFC North, AFC South, AFC West, NFC East, NFC Central, NFC West, and NFC North.

Table with 4 columns: Team, Points, Yds, Pts. Lists U.S. College Leaders for Team Defense, Team Offense, Passing, and Rushing.

Table with 4 columns: Team, Points, Yds, Pts. Lists Individual Football Statistics for Running Backs, Quarterbacks, and Receivers.

Platini Rumored to Be French Team's New Coach

Compiled by Our Staff From Dispatches

PARIS — Michel Platini, the former captain and star of the French national soccer team, will replace Henri Michel as coach...

Sources quoted by The Associated Press said that Jean Fourquet, Faysard, president of the French Football Federation met in Paris last Monday with Platini.

Henri Michel and Michel Platini

College Top 20 Rankings

Table with 4 columns: Rank, Team, Conf, W, L, T, Pts. Lists college football rankings for various conferences.

TRANSITION

Table with 4 columns: Team, W, L, T, Pts. Lists baseball team transitions and standings for various leagues.

HOCKEY

Table with 4 columns: Team, W, L, T, Pts. Lists NHL Standings for the National Hockey League.

SIDELINES

Ditka Says McMahon Was Hit Illegally
LAKE FOREST, Illinois (UPI) — Mike Ditka, coach of the Chicago Bears, said Tuesday that the hit that sidelined quarterback Jim McMahon during Sunday's game against the New England Patriots was illegal and that he planned to take it up with the National Football League office.

Tyson and Ali Get Awards From WBC

MEXICO CITY (AP) — World heavyweight champion Mike Tyson and former champ Muhammad Ali received special awards Monday at the opening of the World Boxing Council's annual meeting.

NHL Suspends Tocchet and Messier

NEW YORK (UPI) — Rick Tocchet of the Philadelphia Flyers received Monday a 10-game suspension and Mark Messier of the Edmonton Oilers a six-day suspension from the National Hockey League for their involvement in separate incidents.

Advertisement for Wempe watches, featuring an image of a watch and the text 'WEMPE SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.'

PEOPLE

"Madama Butterfly" Woos London Audience

Catherine Malfitano, the American soprano, was cheered after her opening performance in a new production of "Madama Butterfly" at the Royal Opera House in London.

An attempt to contact Harry Houdini on the 62nd anniversary of his death on Halloween drew only a puff of smoke, but even that was arguable, said Sidney H. Ruskoff.

Saharun Rashid's novel, "Satanic Verses," was banned by South Africa just as Rashid was to open a conference on censorship sponsored by the Weekly Mail.

Within view of the Hollywood studios where he once made a living, President Ronald Reagan signed legislation to strengthen copyright protection in the United States and abroad for American filmmakers, publishers, recording artists and computer firms.

Ultra Violet, a former Andy Warhol superstar, is celebrating the publication of her book, "Famous for 15 Minutes: My Years With Andy Warhol."

John Steinbeck IV, son of the author John Steinbeck, filed a petition in U.S. Bankruptcy Court in San Diego for liquidation of his debts.

OBSERVER

Picking on George

By Russell Baker

NEW YORK — Answering the mail: "Why do you keep picking on George Bush? I like to get my name in the paper sometimes, too. Why don't you pick on me for a change?"

"Dear Dukakis: I pick exclusively on Bush because the newspapers tell me daily and television announces nightly that he was elected president next month. It's a president's fate to get picked on. Bush might as well get used to it now.

"Picking on Bush also gives my conservative friends grist to accuse Eastern liberal media critics of trying to destroy Bush's mandate for sending members of the American Civil Liberties Union back to Russia. My conservative colleagues will need such help until the time of the Bush honeymoon free them to attack him for betraying Reagan, Goldwater, the Hudson Institute and Alexander Hamilton.

"It's too late, incidentally, to be sore as a hornet. If you'd got sore as a hornet back there when Bush was nailing you as the murderous rapist's best pal, television might now be announcing nightly that you're the one who got elected next month."

"I wish your letter to Dukakis hadn't mentioned sending undesirable Americans to Russia. Russia is no longer the cold, backward, evil place we all remember from the forward-looking, good place.

"Can you use your medium to ask George to abscise a part, bad place we can send people back? I'd call him myself, but an afraid he'd ask me to open the conversation with the Pledge of Allegiance without a Teleprompter.

"Dear Bush: The president writes me that he sincerely hopes you won't use your mandate to urge card-carrying members of the ACLU to go back to Russia, as Russia has now become too good for them. I suggest that your inaugural deal with the matter by including the line, 'If they don't like it here, why don't they go back to Taxachusetts?'"

"I regret you think me capable of slandering one of our great states, the home of the gallant Puritans and cradle of the American Revolution. I refer to Massachusetts. Not, as you so crudely call it, 'fucking the cheap, vulgar example I have been forced to set while being helplessly manipulated by the thugs who run my campaign — not 'Taxachusetts.'"

"Shame, sir! Shame! Fie, too. 'Gently and kindly, 'George Bush'"

"Dear Bush: Forgive me for overestimating the height of your fall in your quest for high office. Instead of 'Why don't they go back to Taxachusetts?' how about 'Why don't they go back to Albania?'"

"Your letter sounds to me like the work of a phony, a word, incidentally, that comes from Boston, which thinks it's better than good American places like the great patriotic South and great patriotic Middle West, not to mention great patriotic California and the great patriotic upstate New York.

"Listen, Mister Liberal Eastern Liberal Media Liberal, Albania would be one of the strongholds of freedom and lower capital-gains taxes if liberal eggheads from liberal colleges like Harvard hadn't opposed giving the Albanian Communists a dose of the same medicine we gave Grenada.

"You write like you're against capital punishment, which reminds me: If you don't destroy that wimp letter I wrote while suffering a seizure of my kinder-gentler-Americanism — well, I merely point out what happened to Dukakis after he unasked Willie Horton's bid."

"Dear Bush: Congratulations on your landslide. Now that you have swept to victory by carrying 489 public opinion polls, I suggest you consider the possibility of a second term. There's a real Bush under there, a real Bush who wears false faces discover, when they decide to unveil, that there's one that won't come off, that the false face has become the real face. By the way, about 'Dear Quake' — that was just a joke, wasn't it? 'Wasn't it, George?'"

Madeline Kahn: Born Again in a Comedy

By Joe Brown

WASHINGTON — The funny thing about Madeline Kahn is that she is really not funny.

As she is famous for her shucks in Mel Brooks' "Blazing Saddles" and "Young Frankenstein" and the musical "On the Twentieth Century" — you could be forgiven for imagining Kahn to be the life and soul of the party. But no.

"Me, as myself, I don't think I'm particularly funny," she says matter-of-factly after a performance of "Born Yesterday" at the Mechanic Theatre in Baltimore. "But I've noticed that people in my life always have found me amusing. Which, when I was little, really bothered me."

"I am the funniest thing from a Mel Brooks movie that you'll find. His movies relied on broad, gross, flat-out humor. And I am the antithesis of that. You had these horribly outrageous guys and you had this proper woman. I think I am rather delicate and subtle. And for me to be in 'Blazing Saddles,' where there are a lot of those grotesque things, I think that's why it was funny."

"I didn't know it at the time, but now I understand." In "Born Yesterday," the Broadway-bound revival of the 1946 stage comedy that opened last week at the National Theatre in Washington, Kahn plays Billie Dawn, a role patented by Judy Holiday, who won an Academy Award for the 1950 film version.

"I never 'laughed' the slim-and-slight Kahn explains. "But I very much want to be on stage again. And I am hard-pressed to find a role with some dimension to it. I was invited to do this and I feel very lucky about that. And that's why I'm doing this to myself. I'm working my way down that long road, so I'll actually be working in the same town I live in, and I'll have a chance to play a fuller role than I've played for a long time — on the Broadway stage, hopefully."

Tom or no tom, stepping into Holiday's high heels would be a daunting prospect for any actress. "It was definitely a ghost," Kahn says. "There's the danger of being unfavorably compared to Judy Holiday, who has been the only woman to do the role in people's minds, definitely."

Still, "I'm basically starring as an actress, I said, 'Boy, I have to think carefully before turning this down.' So I don't do it because someone might say 'You're not as good as Judy Holiday was?'" "I see that, take a good look at me because I'm quite a bit older than she was when she played it. But I just decided that life isn't worth living if you can't confront challenges when it means something to you."



She performs in the Washington Post production of "Born Yesterday" at the National Theatre.

"I just decided that life isn't worth living if you can't confront challenges when it means something to you," she says.

The playwright Garson Kanin says Kahn's casting sparked the first major revival of the show with his blessing. "I never could get a cast together that I thought could withstand the odious comparisons with the original company," he says. "It's played a great many places all over the world, of course. But for New York, which is a tough audience, as you know, I wanted to achieve a certain caliber in a cast. Through the years, I've asked several actresses to play the part — I used to ask Bernadette Peters, and she wanted to do it, but when I could get her, I couldn't get the man."

"And I called Madeline, she's a personal friend, and she's one of the best actresses in the American theater, she's not limited to any particular type or tone. An actress of enormous versatility and comic intelligence. Knowing her as I do, I knew she would be a knockout in the part."

"It is hard work making something funny," Kahn says. "To make it believable that there could be a woman who actually doesn't know what the Supreme Court is, who has never voted. It's not even funny. How am I going to believe it — and I have to believe it myself — construct someone who will not only be believable to me but who will also be funny? Who has agreed to live a life with no prestige, no status, no position. It was quite a job, a nice challenge."

But Kahn certainly does not make it look like work. She has a way of creating subtle details — not drawing attention to herself. "A lot of my acting choices have to do with the fact that I'm working with Ed Asner," Kahn says. "In this play, I am the girlfriend of Harry Brock, as played by Ed Asner. And I have to believe that I am with this man. Now if he talks to me in a certain way, then I have lived with him for nine years, and I feel comfortable, so I talk a certain way, too."

With comedy, she explains, "you have to kind of roll with the audience, and you tend to judge yourself if they're not laughing. They may just be a quiet group — they're all different. You have to listen, they're in it with you. But when you're doing a straight play and there are no laughs or very few, you know there's going to be silence and you're free to do your job. I wouldn't mind that."

Since her Mel Brooks-Tierney Bogdanovich heyday (the did "What's Up Doc?" and "Paper Moon" with Bogdanovich), there have been a string of less successful movies ("First Family," "Yellowbeard,"

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